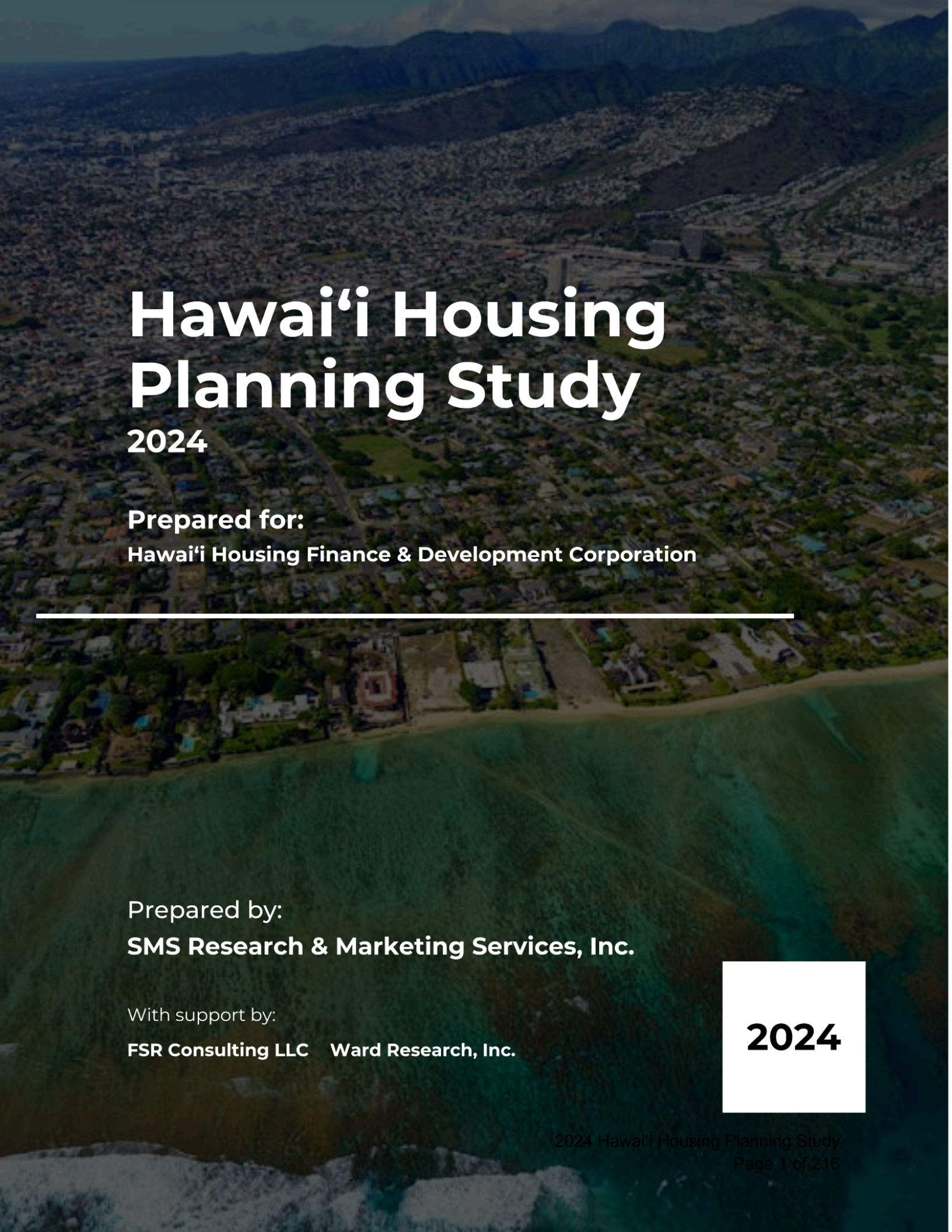

Hawai‘i Housing Planning Study

2024

Prepared for:

Hawai‘i Housing Finance & Development Corporation

Prepared by:

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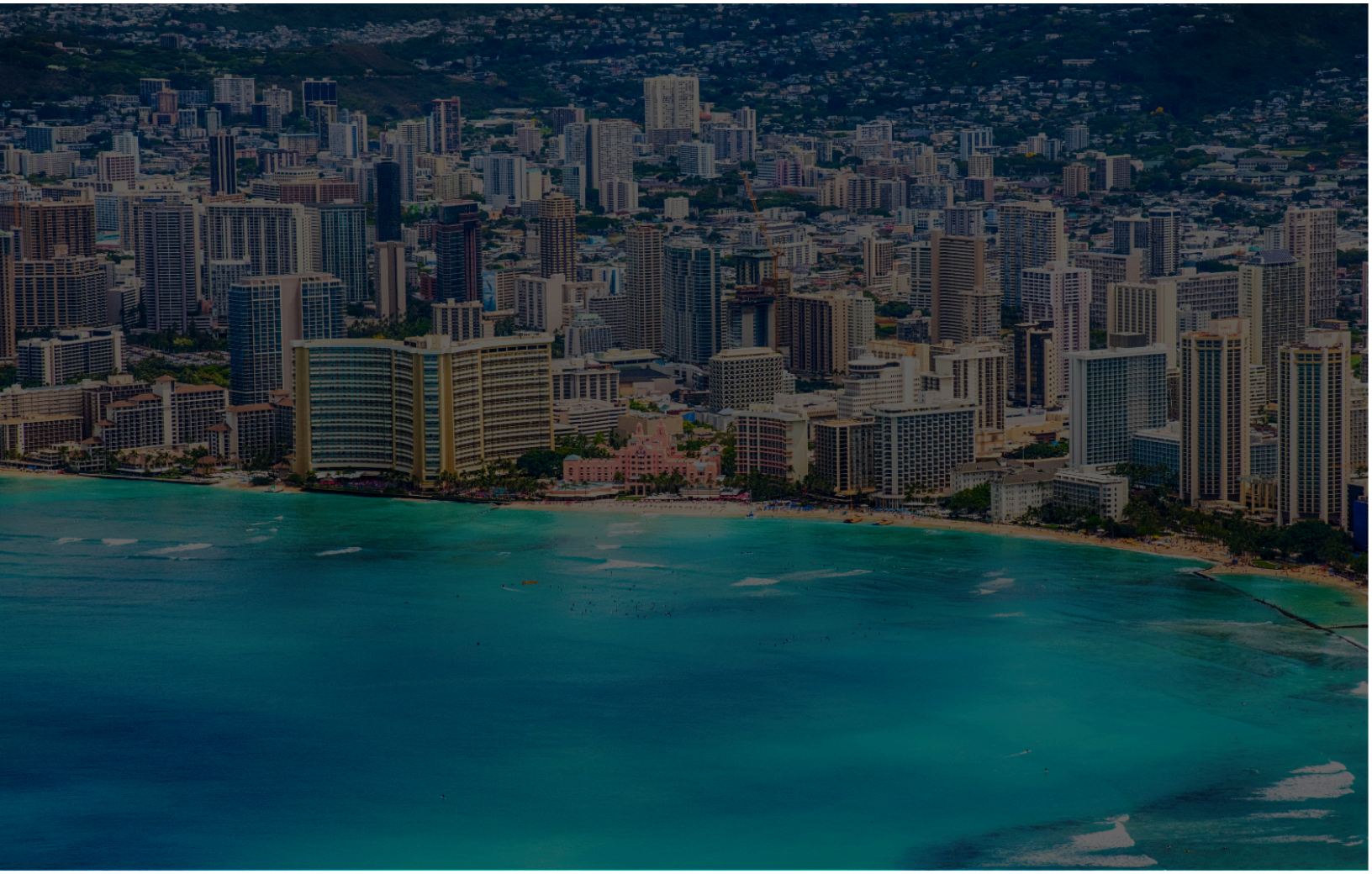
With support by:

FSR Consulting LLC **Ward Research, Inc.**

2024



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Dedicated to Chris Woodard, Chief Planner, HHFDC

EXECUTIVE SUMMARY

The Housing Crisis in Hawai‘i Grows

There are few things as central to our day-to-day lives, our cost of living, and our sense of stability as the places we call "home". Housing impacts how we live together as families and households, where we live, and many of our daily decisions from where we work or go to school, how we travel, and what we do outside of work. The cost and availability of housing is the most significant driver of Hawai‘i's tremendous cost of living, and the lack of housing has significant downstream impacts on health and well-being. **For thousands of Hawai‘i residents, with increasing numbers every year, housing residents can afford determines whether our family and friends can afford to continue living in Hawai‘i at all.**

The housing crisis reverberates through every aspect of life and economic activity in Hawai‘i. Recent needs assessments across diverse sectors emphasize this reality: healthcare providers cite housing instability as a major barrier to health outcomes[1]; tourism industry leaders report workforce challenges directly tied to housing affordability[2]; immigrant communities identify housing as their primary concern affecting employment, education and integration; and early childhood education providers note the housing crisis impacts both families' ability to afford quality childcare and their capacity to retain qualified staff.[3]

Hawai‘i benefits from a strong sense of urgency felt across communities and all levels of government. However, the challenges intersect in such ways that despite the eager efforts of many, the housing gap is widening, the barriers are deepening, and the impacts are becoming more dire. Too many units already built are used for purposes other than housing (e.g., investment, short-term rentals). **Collectively, Hawai‘i is not building fast enough, and much of what is being built - simply put - is the wrong kind of units.** As households get smaller, demand rises despite decreasing overall population. Finite land, labor, and materials resources sideline projects for local families in favor of luxury projects. Outsized resources of a few push costs up further and drive Hawai‘i residents into overcrowded homes, onto the streets, and off our shores.

The challenges and the consequences are collective. So too are the opportunities and vision for a future Hawai‘i, where every person who loves and calls her home can continue to do so for generations to come.

Purpose of the Study to Drive Insights

Published approximately every five years since the early 1990s, the 2024 Hawai‘i Housing Planning Study (HHPS) seeks to look at Hawai‘i's housing needs through 2027, provide insight into the scale and nature of the housing crisis impacting residents across all counties, and support housing planners and policymakers in addressing the housing needs of Hawai‘i's communities. This 2024 HHPS analyzes current housing supply, affordability challenges, and demand trends to inform policy and development strategies that address the critical shortage of affordable units, particularly for lower-income households, Native Hawaiian communities, and

[1] Community Health Needs Assessment, 2021. Healthcare Association of Hawai‘i.

[2] Visitor Industry Needs Assessment, 2024.

[3] Hawai‘i Early Childhood Comprehensive Needs Assessment, 2020.

other vulnerable populations. Similar studies are conducted across the United States and provide insight into evolving methodology to inform a shortage crisis that is deepening throughout the country, offering data-driven approaches to guide collaborative efforts among government, private sector, and community stakeholders in ensuring stable, affordable housing for all Hawai‘i residents.

The 2024 HHPS reveals a housing market in crisis, with conditions worsening for residents across all counties. In 2022, Hawai‘i had 568,058 total housing units, with 516,242 (90.9%) available to residents (**Table 2**). Of these, 494,827 were occupied, leaving just 21,415 vacant and available—a mere 4.1% of the housing stock (**Table 2**). The remaining 51,816 units (9.1%), including 35,884 seasonal units, were unavailable, largely due to vacation rentals (**Figure 3B**).

Between 2017 and 2022, total units grew by 4.6% (25,103 units, **Table 3**), yet vacant available units dropped 20.7%, from 26,988 to 21,415 (**Figure 8**). This shift reflects units moving into occupied status—potentially easing supply pressure—but leaves a critically low vacancy rate, tightening the market. Despite adding nearly 48,000 housing units statewide from 2010 to 2022—an average of 4,000 new units per year—available stock for residents has shrunk. In Kaua‘i County, for instance, nearly 4,900 new units built between 2010 and 2020 resulted in a net loss of 334 available units, a trend driven by a 22.3% share of units classified as unavailable in 2022 (compared to Honolulu’s 6.9%), highlighting how new construction often feeds the vacation market rather than resident needs.

Despite these supply gains, an estimated **64,490 additional units are needed through 2027** to meet current and projected demand, including for special populations like DHHL-eligible households (**Table 39C**), emphasizing the scale of the ongoing shortage. **Of these needed units, 42,100 or 65% of the total needed through 2027 are at levels affordable for households earning 80% AMI and below.**

Key Insight:

“We're seeing [a] noticeable exodus [from Maui] for our working families... because of the cost of living. Housing is too expensive. That impacts food security and that impacts education." *– Maui stakeholder*

Affordability Challenges Deepen

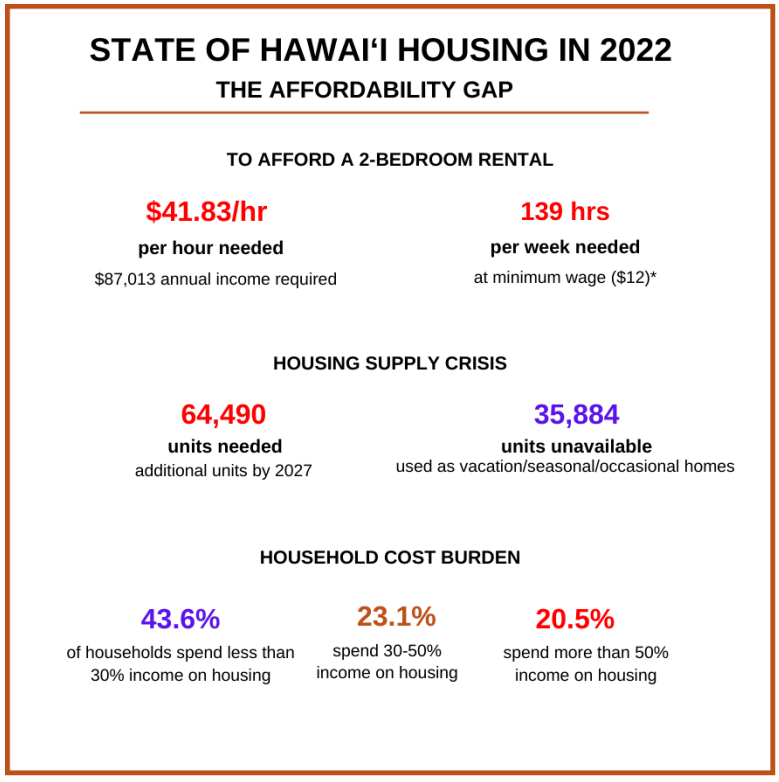
Hawai‘i’s affordability crisis has deepened since the 2019 HHPS. In 2022, Hawai‘i had the nation’s highest average rents, surpassing the District of Columbia and New York.[4] The 2023 two-bedroom housing hourly wage is $41.83 (**Table 6**)—second only to California ($42.25)—reflecting the income needed to afford a median-priced two-bedroom unit while spending no more than 30% of income on housing. Yet, renter households earn just $24.37 on

[4] ACS, Table B25064,5-yr. estimates, for Hawai‘i, U.S., 50 States, and selected SMSAs, 2009 through 2017.

average, leaving a $17.46 hourly gap, the largest in the U.S. (**Table 36**). Statewide, renters face higher monthly costs than homeowners, amplifying affordability challenges for those without ownership stability. Rents rose 15.5% from 2019 to 2023, outpacing wage growth and widening the affordability divide (**Figure 25**). As a result, 57.8% of all renters are cost-burdened, spending over 30% of income on housing, with nearly a quarter of Maui County households paying 50% or more of their income on housing (**Figure 14**). This growing gap drives out-migration, as families seek affordable regions, with an **average of 214 residents leaving Hawai‘i every day.**

The affordability crisis is particularly acute for homeless households, many of whom are employed yet unable to secure stable housing. Among those without any disabling conditions, the rate of employment for heads of households is notably high at 62%. However, even with full-time work at Hawai‘i’s 2022 minimum wage of $12 an hour (prior to recent increases), an individual earns approximately $24,000 annually, or $1,920 monthly. At the recommended maximum of 30% of income for housing, this leaves just $576 per month for rent—far below the state’s median rent of $1,813. This stark disparity highlights how even working homeless households struggle to afford housing, exacerbating the shortage and emphasizing the need for targeted affordable housing solutions.

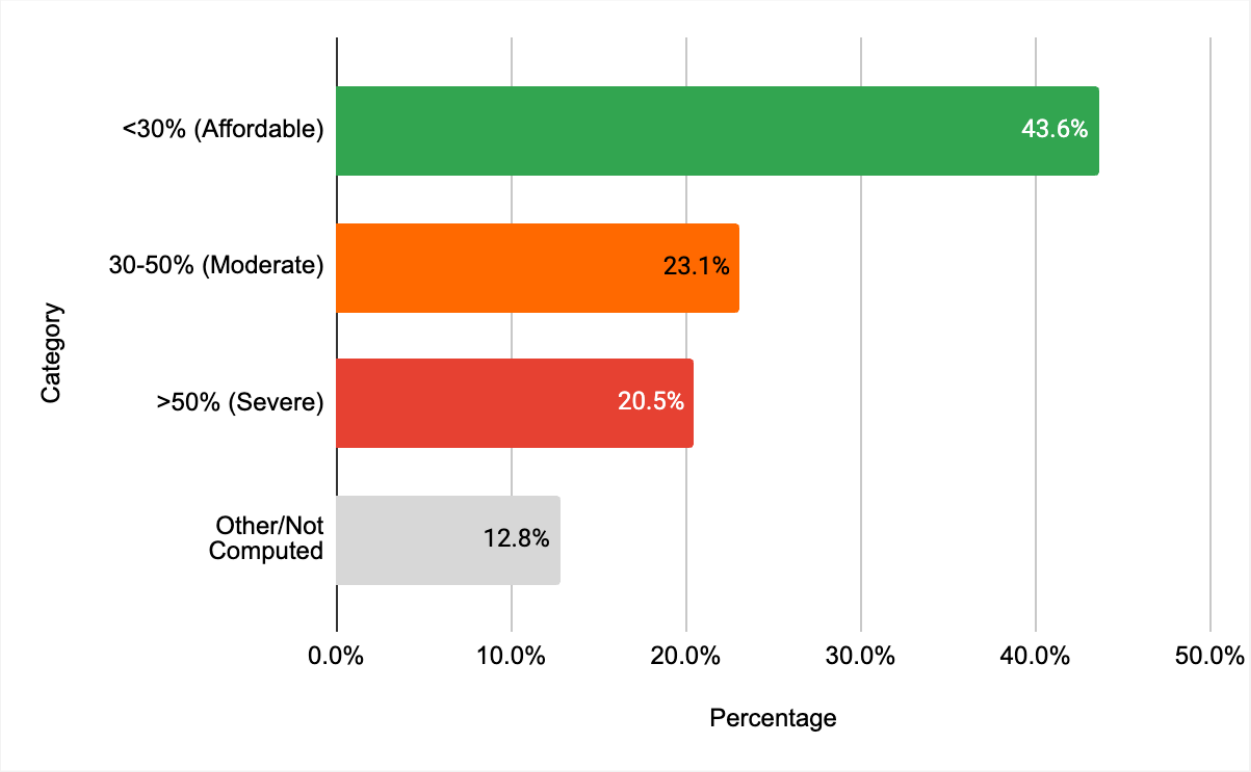
FIGURE 1: STATE OF HAWAI‘I HOUSING IN 2022, THE AFFORDABILITY GAP



Source: 2024 Hawai‘i Housing Planning Study. Data as of 2022 unless otherwise noted.[5]

[5] Source: 2024 Hawai‘i Housing Planning Study. Data as of 2022 unless otherwise noted. Notes: To Afford a 2-Bedroom Rental: $41.83/hr equals $87,013 annual income; 139 hours represents hours needed per week at

FIGURE 2: DISTRIBUTION OF HOUSING COST BURDEN BY INCOME SHARE IN HAWAIʻI, 2022



Source: 2024 HHPS, Table 5 (ACS 2022).

Housing Supply and Affordability Crisis

Hawaiʻi currently faces a critical housing shortage of 64,490 units needed to meet current and pent-up demand through 2027. This total comprises 62,750 units to address the 2022 shortage, an additional 14,408 housing units to accommodate population growth between 2023 and 2027, and 803 vacant units to provide necessary market flexibility.[6] Of these needed units, 46.5% are for ownership and 53.5% for rentals, with 71.9% being single-family and 28.1% multi-family (percentages derived from **Table 39**).

While 13,471 units are currently in development pipelines and anticipated to be available by 2027, they will address only 20.8% of the total needed units by 2027. The number of units needed to meet demand is a significant increase from what was needed in 2019, primarily

minimum wage ($12/hr); Housing Supply Crisis: 64,490 units needed' represents additional units required beyond planned development (13,471 units in pipeline) through 2027; 35,884 units unavailable' includes vacation rentals, seasonal homes, and other units held off the residential market; Household Cost Burden: Percentages represent 87.2% of total households (remaining households did not report); 30% of income is the federal standard for housing affordability. Note: The 64,490 units needed through 2027 do not include losses from the 2023 Maui fires, which destroyed approximately 2,000 homes.

[6] Note: the components do not sum directly to 64,490 due to a methodological adjustment in Table 39, which reconciles overlapping demand categories (e.g., pent-up demand and growth-related demand) as detailed in Section III per the 2024 HHPS methodology.

reflecting a change in methodology that will be explained in greater detail later in the report. Had the methodology remained the same, the number of needed units through 2027 would be relatively similar to the projected units needed through 2025 (51,156 units). **The current pipeline through 2027 seeks to address 26% of the units identified as needed through 2025.** A *Smart Growth America* study, commissioned by AARP Hawai‘i, highlights that, without continued efforts, up to 1,056 subsidized units could potentially lose their affordability requirements between 2023 and 2025, and over 11,000 units could be at risk of converting to market-rate housing by 2045, potentially reducing affordable housing options. The Hawaii Housing Finance and Development Corporation (HHFDC), a key stakeholder in addressing Hawai‘i’s housing needs, notes that it has actively negotiated extensions of affordability deadlines for some of these units, which will likely reduce the number at risk. These efforts were not reflected in the study’s data, emphasizing the need for ongoing collaboration to ensure accurate data and sustained affordability.[7]

Detailed analysis of housing needs by income level, tenure, and housing type (**Table 39**) reveals that Hawai‘i faces both an overall housing shortage and a complex affordability crisis. Of the 64,490 total units needed, 64% are needed to house households earning 80% or less of the area median income (AMI). Over a quarter of the needed units (26.7% or 17,242 units) are for households earning 30% AMI or below. Members of this income group tend to be seniors on fixed incomes, single parents, those earning near the minimum wage, and individuals experiencing homelessness. This includes a specific need for 8,508 units to accommodate DHHL-eligible households, of which 55% are for ownership and 75% single-family units. The analysis shows particular strain in the multi-family rental market, where current supply and planned development fall significantly short of demand across lower and moderate income levels. This shortage is especially acute for households earning between 50-120% AMI—the workforce housing segment.

Between 2017 and 2022, a shift of units from 'vacant' to 'occupied' status occurred, with vacant available units dropping 20.7% from 26,988 to 21,415 (**Table 3, Figure 8**). The shift of units from vacant to the housing supply (vacant and available units declining 13.5% from 24,759 to 21,415), may be partly due to County-level efforts to curb illegal vacation rentals, increasing the available housing stock for residents (Section II).

The significant portion of housing stock still unavailable to residents due to vacation and short-term rental use greatly compounds Hawai‘i’s housing challenges. Of Hawai‘i’s 568,058 total housing units in 2022, **35,884 units (over two thirds of unavailable units) are unavailable to meet resident demand due to seasonal, recreational, or occasional use**. The impact of seasonal units varies significantly by county, ranging from 3.6% of total units in the City and County of Honolulu up to 11.6% in Kaua‘i County (**Figure 22**). This use of new and existing residential units for visitor accommodations further diminishes an already limited housing supply, particularly affecting the neighbor islands, where tourism pressure on the housing market is most acute.

[7] Michael A. Rodriguez, "Affordable Housing in Hawai'i: Inventory and Strategies," Smart Growth America, February 2024, https://smartgrowthamerica.org.

The housing crisis plays an active role in driving out-migration from Hawai‘i, with nearly 40,000 households planning to leave the state within the next five years. Of these households, 60.8% cite housing costs as a primary reason for their decision to leave (*2022-2023 Housing Demand Survey*). This includes a disproportionate impact on Native Hawaiians, with 2020 Census data showing that for the first time, more Native Hawaiians now live outside Hawai‘i (53%). This out-migration trend particularly affects Honolulu County, where 75.9% of those planning to leave currently reside—higher than its 68.4% share of the state's households (**Table 15**) but consistent with its historical 81.0% average share of actual out-migration from 2017-2023 (**Table 14**).

The data also reveals an important market imbalance: while the **greatest need exists at lower income levels, current development patterns show surpluses of units at higher income levels, particularly in the multi-family ownership category**. This mismatch between housing production and actual market needs suggests that addressing Hawai‘i's housing crisis requires not just increasing overall supply, but fundamentally realigning development priorities with resident needs. The distribution of need varies significantly by county, with the City and County of Honolulu requiring 25,710 units, which is 6.9% of its 2022 housing stock of 373,863 units, followed by Hawai‘i County needing 18,879 units, or 20.8% of its 90,673 units, Maui County requiring 14,987 units, or 20.5% of its 72,941 units, and Kaua‘i County needing 4,914 units, or 16.1% of its 30,476 units. These percentages reflect each county's needed units (**Table 39**) as a proportion of its respective housing stock (**Table 1**).

Hawai‘i's housing market faces another unique challenge: while struggling to meet local housing needs, it simultaneously attracts significant demand from outside the state. For the last ten years, **nearly a quarter of all residential home sales in Hawai‘i were to persons who live outside the state**, exacerbating pressure on an already constrained market. In 2022, these out-of-state purchases totaled $6.12 billion, with continental U.S. buyers contributing $5.46 billion and international buyers $660 million. Purchase prices for units bought by out-of-state buyers were, on average, 63.2% higher than prices paid by local buyers, reflecting both lifestyle preferences and investment appeal. Real estate in Hawai‘i offers strong returns, with property values in urban Honolulu appreciating an average of 4.56% annually since 2000—among the highest in the nation—driven by potential for rental income, particularly through visitor accommodations. As an island state with finite developable land, this external demand intensifies the shortage, reducing housing availability and affordability for residents.

Hawai‘i's strategic military presence also has a significant impact on the housing landscape, with 85,234 active-duty members and dependents—6% of the population—occupying 14% of O‘ahu's rental units, meaningfully impacted by competitive Basic Allowance for Housing (BAH) rates. This dynamic, compounded by planned increases including 2,700 additional Marines, adds further pressure to an already strained market. The structure of Department of Veteran Affairs (VA) loans, with no down payment and favorable terms, further strains Hawai‘i's housing market by enabling qualifying military personnel and their families to transition from renting to owning more easily than local residents in a high-cost, low-inventory environment.

Housing Cost Burden Hits Vulnerable Households Hardest

Housing costs weigh heavily across all income levels, especially for lower-income households. Among Hawai‘i households with computed cost burdens in 2022, only 43.6% spend 30% or less of their income on housing—the traditional “affordable” threshold—while 23.1% spend 30-50% (15.5% at 30-39%, 7.6% at 40-49%), and 20.5% face severe burden, spending over 50% (**Table 5**). The remaining 12.8% are uncategorized, likely due to incomplete data (e.g., zero-income households). Those earning less than $15,000 annually bear the heaviest burden, forming the largest share of severely cost-burdened households across all counties (**Table 6**). **Hawai‘i’s population facing housing insecurity, estimated at 208,282 households (45.7% of all households), and 27% at-risk of homelessness, further illustrates the depth of this crisis.**

The demographic profile of these at-risk households reveals additional layers of vulnerability. The majority fall within the age range of 30 to 49 (45%), are almost evenly split between married (36%) and single-person households (33%), and predominantly identify as White/Caucasian (55%), with household incomes typically below $15,000 (15%). Notably, close to one-third of these households have a college degree (29%) or some college education (25%), and almost half (41%) were born and raised in Hawai‘i. These characteristics challenge assumptions about who is at risk, highlighting that even educated, local residents face severe housing instability due to low incomes and high costs.

Hawai‘i has the fastest-aging population in the country, with significant implications for housing needs among seniors. In 2022, there were 289,698 people aged 65 or older, a 9% increase since 2019, and projections indicate this group will grow from 319,908 in 2025 to 352,240 by 2030—an 11% rise. **Based on the 2021 65+ category with independent living difficulties (14,232 individuals), there is one “bed” in a care home or facility for every three seniors.** Using the historical growth trend from Table 59, the number of seniors with independent living difficulties is projected to reach 28,357 by 2030. If the demand remains the same, Hawai‘i will require 9,452 beds by 2030, an increase of approximately 4,712 beds from 2021. For the approximately 36,000 seniors not in care facilities, family or in-home care services are critical, often necessitating home retrofits like grab bars, ramps, and emergency call systems to support aging in place. However, limited options may force many to remain in inadequate housing due to the shortage of specialized units.

Individuals with serious mental illness (SMI) also face growing housing needs. Assuming this group still makes up 2.8% of the population, this would equate to 42,148 individuals by 2030. With 24% of those with any mental illness receiving residential or other services in 2021, the demand for supportive housing units—such as care homes, transitional programs, or permanent housing—will rise proportionally, further straining the state’s capacity to serve special needs populations.

Native Hawaiian households facing acute challenges rooted in historical displacement and economic inequities. The Department of Hawaiian Home Lands (DHHL) manages housing for 32,190 beneficiary households, comprising 7,992 Lessee-only, 20,323 Applicant-only, and 3,875

Lessee and Applicant households.[8] However, a waitlist of 47,086 applications from 29,451 beneficiaries emphasizes significant unmet demand.[9] Beyond current beneficiaries, an estimated 16,898 households with members at least 50% Native Hawaiian (HHCA-eligible) are not enrolled with DHHL, reflecting untapped need.[10]

A 2023 survey of 996 DHHL applicants revealed that 14% plan to leave Hawai‘i within five years due to housing pressures. Ownership aspirations remain strong: 49% of applicants and 57.5% of HHCA-eligible households intend to buy, with 90.5% of applicants and 75% of HHCA-eligible renters willing to purchase if affordable options existed.[11] However, financial constraints limit these goals—38.1% of applicants and 32% of HHCA-eligible households can afford less than $25,000 for a down payment, with monthly housing costs peaking at $1,500–$2,499 for 39.8% of applicants and $1,000–$2,499 for 60% of HHCA-eligible households, well below median mortgage costs (e.g., $2,851 for applicant homeowners).[12]

To address these and other challenges, an estimated 8,508 housing units are needed statewide for DHHL-eligible households from 2023 to 2027, calculated using a distinct methodology due to limited DHHL pipeline data, combining HHPS survey responses from households with 50%+ Native Hawaiian ancestry and DHHL applicant data, and reflecting households planning to move within five years. This includes 4,650 ownership units (4,144 single-family, 506 multi-family) and 3,858 rental units (2,207 single-family, 1,651 multi-family).[13] Nearly half (4,788 units) target households earning below 60% of Area Median Income (AMI), reflecting acute need among the lowest income brackets.[14] The *2023 DHHL Beneficiary Demand Survey* further highlights the importance of investing in DHHL developments, which by their nature both help to address the unique needs of this community—rooted in historical displacement and economic pressures—while also addressing county and AMI-level needs where demand is greatest, offering a strategic opportunity to align housing solutions with market shortages.

A majority of respondents at risk for homelessness are currently renting their housing unit (67%), with close to half residing in single-family units (48%). These at-risk households pay a median monthly rent of $1,957—significantly higher than their incomes can support. Considering that a substantial portion of these households earn less than $15,000 annually, many are severely rent-burdened, spending well over the 30% affordability threshold. This precarious housing status, combined with limited access to rental assistance, heightens their risk of homelessness and stresses the urgent need for affordable rental options tailored to low-income residents.

[8] Source: Section VI, Table 56, and DHHL Beneficiaries by County.
[9] Source: Section VI, reflecting total applications from 29,451 unique beneficiaries. Beneficiaries may appear on multiple lists for various use types: residential, agricultural, pastoral.
[10] Source: Section VI, estimate of HHCA-eligible households not enrolled with DHHL.
[11] Source: Preferences Among Eligible/Applicants, (MOV5 and MOV8), with 49% (488/996) and 90.5% (124/137) for applicants, 57.5% (50/87) and 75% (6/8) for HHCA-eligible.
[12] Source: Preferences Among Eligible/Applicants, (MOV10 and MOV11), with 38.1% (186/488) and 39.8% (cumulative $1,500–$2,499) for applicants, 32% (16/50) and 60% (cumulative $1,000–$2,499) for HHCA-eligible; Section VI provides median mortgage ($2,851).
[13] Source: Table 39C (Housing Units Needed for DHHL-Eligible Households, 2023–2027), statewide totals.
[14] Source: Table 39C, summing <30% (1,348), 30–50% (1,407), and 50–60% (361) AMI units.

Affordability, however, remains a stark barrier. Among DHHL lessees and applicants, 53% earn 80% or less of AMI, with 14% below 30% AMI; **for HHCA-eligible households, 66% earn 80% or less, with nearly 30% below 30% AMI**.[15] Cost burdens are pervasive—50% of applicants, 44% of lessees, and 63% of HHCA-eligible households spend over 30% of income on housing, with 32% of the latter exceeding 50%.[16] Overcrowding and doubling-up compound these pressures, affecting 30% of HHCA-eligible households.[17] Homelessness disproportionately impacts Native Hawaiians, with the Homelessness Management Information System (HMIS) reporting Native Hawaiians comprising 37% (3,089) of the 8,311 total households served, though only 11% (332) exited into permanent housing.[18]

Evolution of Methodology: Understanding the Increase in Needed Units

The findings of the HHPS are based on a comprehensive research methodology, which is continually evaluated and refined as more information about the housing market becomes available. Additionally, it incorporates how other jurisdictions approach their housing studies, especially in light of continuing and emerging crises across the United States.

The methodology used in the HHPS integrates multiple data sources, including:

- Housing inventory analysis
- A robust *2022-2023 Housing Demand Survey* of over 5,000 households
- A targeted *2023 DHHL Beneficiary Demand Survey* of 996 DHHL applicants and 87 eligible households, focusing on Native Hawaiian housing preferences
- Detailed price studies
- Interviews with housing developers and planners
- Extensive analysis of special needs and Native Hawaiian housing requirements

This approach seeks to provide a comprehensive understanding of current conditions while acknowledging limitations. These include reliance on 2011-2019 intercensal data pending Census Bureau revisions and the effects of the 2023 Maui fires, which destroyed approximately 2,000 homes after the survey was done. The Census revision may impact estimates of housing demand and needed units for the next five years, as the 2020 Census estimates and American Community Survey (ACS) data have shown discrepancies, with June 2024 adjustments covering population and housing units for 2020-2023. Throughout this report, we indicate the data sources used, including the year, to maintain transparency about these limitations.

Readers will notice an increased estimate of Needed Units from the 2019 HHPS to 2024 HHPS, highlighting 50,156 needed units for 2020-2025 and 64,490 needed units through 2027. Without the 2024 methodology improvements, the estimated Needed Units remain relatively constant, with nearly the same number of units needed for 2027 (HHPS 2024) as was needed for 2025 (HHPS 2019). The primary drivers of the changes in the 2024 HHPS include:

[15] Source: Section VI, income ranges for beneficiaries and HHCA-eligible households.
[16] Source: Section VI, cost burden percentages across groups.
[17] Source: Section VI, overcrowding and doubling-up prevalence.
[18] Source: Section VI, Table 59, 2022–2023 HMIS data; 7,303 households remained unhoused (8,311 total served minus 1,008 exited to permanent housing), with 3,089 Native Hawaiian (37%) and 332 exiting (11%).

1. *Pipeline Units Added to Supply* – For the first time, the 2024 HHPS includes 13,471 units in the pipeline, expected to be completed by year-end 2027. Previous studies acknowledged these projects but did not factor them in as anticipated supply for the projection model.

2. *Swap Space Added to Demand* – Prior HHPS reports have mentioned the need for approximately 5% additional units to account for units currently on the rental or for-sale markets but had not integrated them into the needed units model. The model now incorporates this demand for 27,563 units (5 per 100 units of supply) into the estimates. This is discussed more fully in Section III: Needed Housing Units.

Policy Implications and Path Forward

The findings of the 2024 HHPS call for urgent action to address Hawai‘i’s housing crisis. Success will likely require increased supply, specifically that which addresses the need for units affordable to households earning 80% AMI and below, which includes 73% of Hawai‘i’s households. Increased supply may, for example, take the form of continued movement of vacant units into the market available for housing local families, increased production that outpaces increases in demand, and changes in density experienced within existing units.

The combination of insufficient supply, declining affordability, and increasing cost burden threatens community stability and economic vitality. The mismatch between housing development and actual market needs must be addressed, including investment in addressing growing needs within unique segments including special needs populations, senior housing, Native Hawaiian communities, and households experiencing homelessness. The 2024 HHPS provides detailed analysis of these challenges and opportunities, offering data-driven insights to inform both immediate solutions and long-term structural changes to Hawai‘i’s housing development and policy framework.

Although HHFDC, HPHA, and DHHL target distinct areas of the housing market, addressing Hawai‘i’s housing crisis demands broader coordination—across agencies, levels of government, and interconnected policy areas such as education, healthcare, land use, and taxation. **Through strengthened collaboration between government, private sector, and community stakeholders, Hawai‘i can work toward ensuring all residents have access to stable, affordable housing.**

I INTRODUCTION

I. INTRODUCTION

A. BACKGROUND

Initiated in 1992, the Hawai‘i Housing Planning Study (HHPS) series has provided comprehensive assessments of Hawai‘i’s housing market conditions. Since 1997, HHPS has included housing projections to determine the number of units needed to satisfy demand and support planning for housing agencies that produce housing. Over the years, HHPS studies have investigated a rotating list of housing issues - some of which have remained part of the study, while others have been replaced with new topics of greater interest. New topics in the 2024 HHPS include the influence of access to public transportation on preferred housing locations, special finance options for home buyers, a new viewpoint on homelessness, and housing for special needs groups.

The Hawai‘i Housing Finance and Development Corporation (HHFDC) served as the lead agency for this study, with contributing agencies: Hawai‘i Public Housing Authority (HPHA), Department of Hawaiian Home Lands (DHHL), Hawai‘i County, Maui County, and Kaua‘i County housing offices, and the City & County of Honolulu (CCH) Department of Community Services (DCS). SMS Hawai‘i (SMS) served as the research consultant. The study was completed with the support of FSR Consulting and Ward Research.

B. PURPOSE

The purpose of the 2024 HHPS is to provide housing professionals with contemporary data on Hawai‘i’s current housing conditions to support housing planning activities and policy decisions. This study includes housing demand, housing supply, housing prices, and needed housing units. The findings of the 2024 HHPS are based on data from the *Hawai‘i Housing Demand Survey: 2025-2035* (DBEDT, 2024), the United States Census Bureau, and the American Community Survey (ACS).

C. METHODS

The 2024 HHPS analyzed data from a variety of data sources described throughout the report:

1. *Housing Inventory.* Until the 2015 HHPS, inventory numbers were gathered from Tax Map Key (TMK) records for each county. As ACS data became more complete, the HHPS transitioned to using ACS for housing inventory numbers.

2. *2022-2023 Housing Demand Survey.* SMS administered a statewide survey to more than 5,000 households to measure resident opinions, current housing status, plans to move to a new unit, preferred characteristics of new units, financial qualifications to purchase or rent, and household demographic information. Data was collected by conducting online surveys between November 16, 2022, and May 22, 2023, and via telephone surveys between December 3, 2022, and May 31, 2023. Special topics added for the *Housing Demand Survey* included access to transportation and rail systems, proximity to employment, unique financing options, special needs housing, and housing prices.

3. *Housing Price Study*. A study of housing prices (sales prices for ownership units and contract rents for rental units) was conducted. Data were collected from several sources, including rental unit advertisements, a national rent producer, several real estate data providers, the U.S. Department of Housing and Urban Development (HUD), and ACS.

4. *Producers Survey.* SMS conducted interviews with housing developers and planning department personnel to enhance their understanding of issues related to housing production and, when possible, review County data on the schedule of housing in the construction pipeline. The findings were used to develop estimates of short-run supply production.

5. *Housing for Special Needs Groups Study.* This study centered on interviews with service providers and advocates for people with special needs. The focus was on the demand and supply of housing units to serve their needs. Statistical data were gathered to connect the needs data with housing planning and production in the next five years.

6. *Homeless Study.* Information was drawn from several HHPS components this year to generate a more comprehensive understanding of homelessness as a housing issue. The intention was to bring homelessness studies into the realm of housing planning and production. In 2023, SMS expanded the homelessness study to include data taken from a specially prepared extract of data from the Hawai‘i Homeless Management Information System (HHMIS) on O‘ahu and from other counties.

7. *Native Hawaiians.* To enable specific stakeholders to conduct more in-depth analysis, the *2023 DHHL Beneficiary Demand Survey* increased the number of surveys completed with residents self-identifying as Hawaiian or part-Native Hawaiian, including Hawaiian Homes Commission Act beneficiaries, and added questions just for this group.

8. *Secondary Data*. SMS and Ward Research gathered existing data and available projections to support each study element discussed here. Research consultants also reviewed housing plans, production schedules, government spending on housing, and comparisons with housing data in other states and municipalities.

D. REPORT STRUCTURE

The 2024 HHPS contains seven sections:

I. Section I presents the background, purpose, and methods of this study.

II. Section II describes current housing conditions in Hawai‘i including demand, supply, and pricing of residential units over time.

III. Section III discusses the projections for supply and demand and presents the most requested output of the study, known as Needed Units, which is the number of additional units required to properly house Hawai‘i’s residents between 2023 and 2027.

IV. Section IV covers the current housing issues for the 2024 HHPS, including access to transportation, sustainable affordability, tourism, homelessness, and housing for persons with special needs.

V. Section V discusses expectations for housing production in the public sector. An appendix presents support materials for this study and a glossary of terms.

VI. Section VI examines key segments within the housing market, with particular focus on Native Hawaiian households and DHHL beneficiaries.

VII. Section VII analyzes the housing needs of government program clients, including special needs populations and those experiencing or at risk of homelessness.

The Appendices cover a deep resource of information that should be referenced to enrich the understanding of the data presented in the main report. Appendices include:

A. HHPS Housing Trends
B. Detailed Data Worksheets
C. County and District Tables - City & County of Honolulu
D. County and District Tables - Maui County
E. County and District Tables - County of Hawai‘i
F. County and District Tables - Kaua‘i County
G. Consolidated Plan
H. Glossary
I. Bibliography
J. Detailed Adjustments to Housing Supply and Demand

II

CURRENT HOUSING SITUATION IN HAWAIʻI

II. CURRENT HOUSING SITUATION HAWAIʻI

Hawaiʻi's housing market in 2022 continues to face significant challenges characterized by limited supply, high demand, and rising costs. Of Hawaiʻi's total 568,058 housing units, 90.9% (516,242 units) were available to the resident housing market, with the remainder consisting of vacation rentals, seasonal homes, and other unavailable units. The housing stock is distributed across counties, with the majority concentrated in the City and County of Honolulu (65.8%), followed by Hawaiʻi County (16%), Maui County (12.8%),[19] and Kauaʻi County (5.4%). This section examines the complex dynamics of Hawaiʻi's housing market, including supply constraints, demand pressures, homeownership trends, affordability challenges, and housing production barriers that continue to impact residents' access to housing.

A. HOUSING SUPPLY IN HAWAIʻI

In 2022, there were 568,058 housing units in the State of Hawaiʻi. Distributed in relative alignment to household distribution across counties, the units included 373,863 for the City and County of Honolulu (CCH), 90,673 for Hawaiʻi County, 72,941 for Maui County, and 30,476 for the County of Kauaʻi. Not all of those housing units were available as homes for residents.

TABLE 1: GEOGRAPHIC DISTRIBUTION OF HOUSING UNITS BY COUNTY, 2022

County	Housing Units	% of Total Units	Households	% of Total Population
Honolulu	373,863	65.80%	338,496	68.70%
Hawaiʻi	90,673	16.00%	72,958	14.80%
Maui	72,941	12.80%	56,848	11.50%
Kauaʻi	30,476	5.40%	24,621	5.00%
Total	***568,058***	***100.00%***	***492,923***	***100.00%***

Source: 2022 ACS, 1-yr. estimates.

1. Housing Stock Size

Among the 568,058 total housing units in Hawaiʻi in 2022, 516,242 (90.9%) units were available to the resident housing market (**Table 2**). This number is referred to as *the housing stock*. Within the housing stock, 494,827 (95.9%) units were occupied, and 21,415 (4.1%) units were vacant and available for use. As shown in **Figure 3A**, this distribution illustrates that the vast majority of those units considered part of Hawaiʻi's housing stock are occupied, with a small portion of vacant units available for residential use.

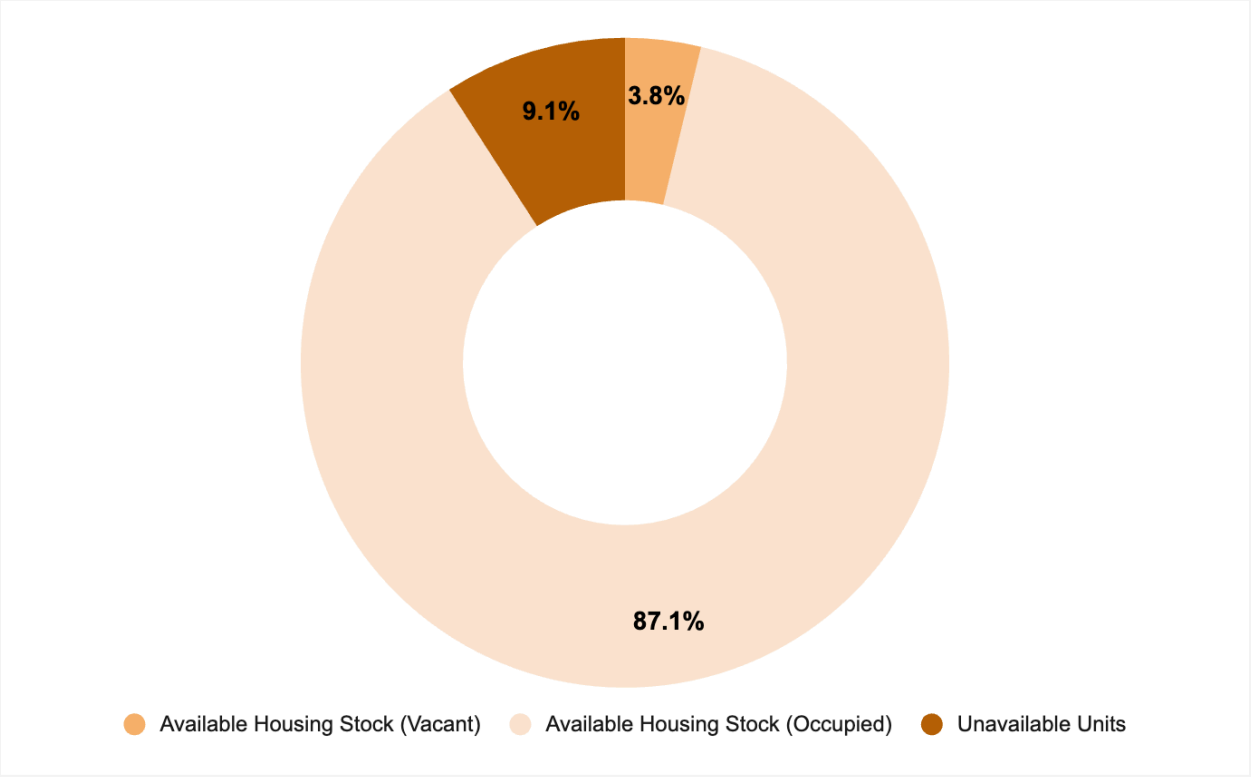
[19] Note that throughout the 2024 HHPS, Kalawao County is included as part of Maui County.

TABLE 2: HOUSING UNIT AVAILABILITY AND OCCUPANCY STATUS, STATE OF HAWAIʻI, 2022

Category	Units	Percentage
Total Housing Units	**568,058**	**100.0%**
Available Housing Stock	516,242	90.9%
- Occupied Housing	494,827	87.1%*
- Vacant and Available	21,415	3.8%*
Unavailable Units	51,816	9.1%

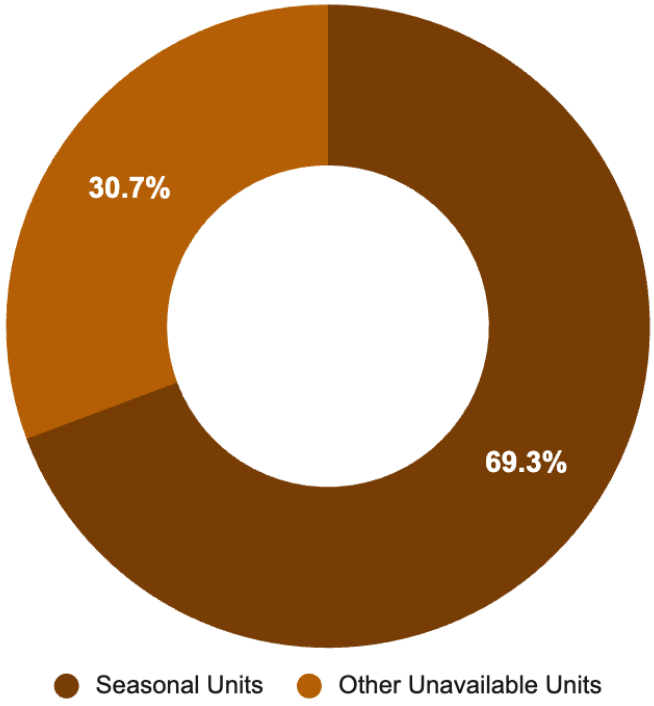
Source: 2022 ACS, 1-yr. estimates. *Percentage of available Housing Stock.

FIGURE 3A: DISTRIBUTION OF HOUSING UNITS, STATE OF HAWAIʻI, 2022



Source: 2022 ACS, 1-yr. estimates.

FIGURE 3B: BREAKDOWN OF UNAVAILABLE HOUSING UNITS



Source: 2022 ACS, 1-yr. estimates.

In 2022, out of Hawai‘i’s 568,058 total housing units, 90.9% (or 516,242 units) were available to the resident housing market, as shown in **Figure 3A**. The remaining 9.1% (or 51,816 units) were classified as ‘unavailable,’ meaning they could not be used by residents looking for a home in which to live. **Figure 3B** breaks down these unavailable units: 69.3% (or 35,884 units) of unavailable units were seasonal units, which are houses used only part of the year, typically for vacations or short-term rentals—like a beach house rented out during the summer. The remaining 30.7% (or about 15,932 units) were unavailable for other reasons, such as being held off the market, needing repairs, or being tied up in legal issues. These unavailable units, including seasonal ones, are not part of the housing stock that residents can access for year-round living.

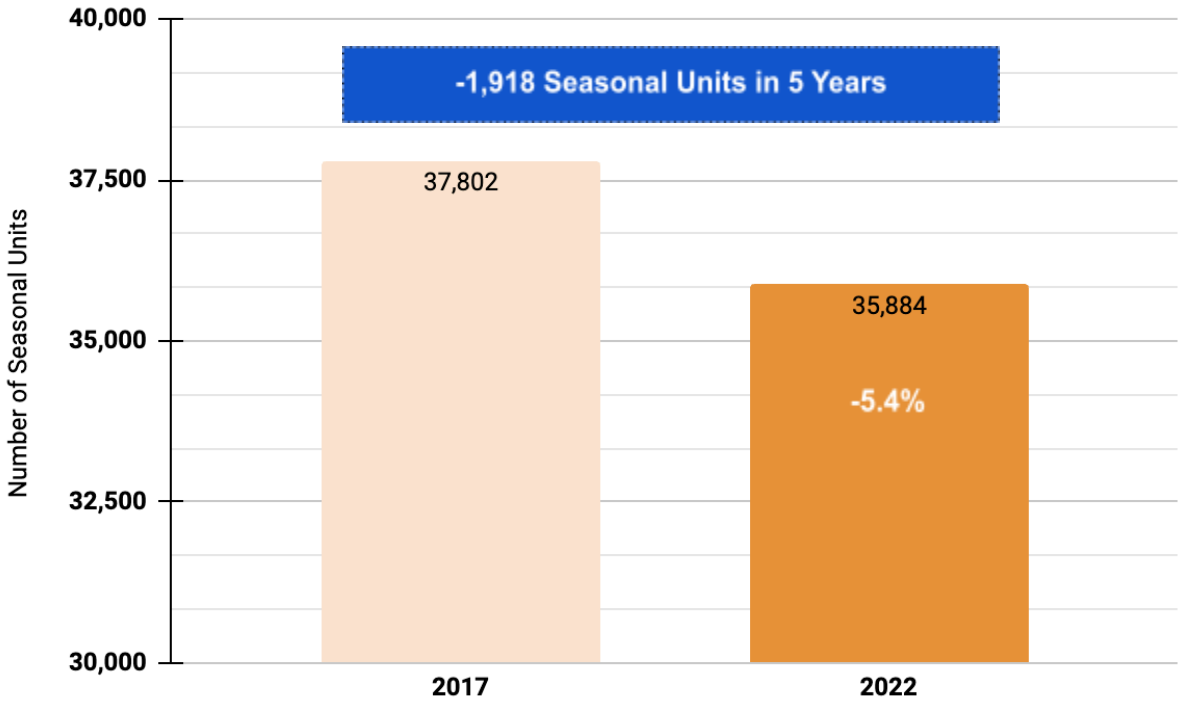
The number of seasonal units has decreased over time, going from 37,802 in 2017 to 35,884 in 2022—a 5.4% decline. Seasonal units, as shown in **Figure 4**, make up 6.3% of all housing units, and when combined with other vacation-related units, they account for 9.1% of Hawai‘i’s total housing units, reducing the number of homes available for residents. This trend worsens the housing shortage in Hawai‘i, where only 21,415 units (4.1% of the housing stock) are vacant and available for residents to move into.

For Native Hawaiian households, especially those eligible for DHHL leases, this is a significant challenge. Among 996 DHHL applicants, 58.4% prefer to live on Hawai‘i Island over O‘ahu (10.9%), with 49% planning to buy a home. Similarly, 87.5% of 87 eligible households also prefer Hawai‘i Island, with 57.5% intending to purchase. Both groups strongly prefer

single-family homes (75.7% of applicants, 78.2% of eligible households) with 3 bedrooms and 2 bathrooms, though many would accept 2-bedroom, 2-bathroom units (33.5% of applicants, 42.7% of eligible households).[20]

One potential opportunity to address the housing shortfall is to convert a portion of the 35,884 seasonal units statewide, including those on Hawai'i Island, into homes for year-round residents, addressing resident housing needs.[21] If 55% of these converted units were targeted for buyers, it could meet the demand for ownership among Native Hawaiians. Using existing seasonal units could potentially allow for faster and less expensive creation of single-family homes, helping Native Hawaiians waiting for DHHL awards to move into homes sooner, while aligning with their short-term plans and long-term goals.

FIGURE 4: GROWTH IN SEASONAL HOUSING UNITS, HAWAI'I, 2017-2022



Source: 2017 and 2022 ACS, 1-yr. estimates.

[20] Data on DHHL applicants and eligible households is sourced from the Department of Hawaiian Home Lands (DHHL) surveys, as reported in the 2022 DHHL Annual Report.
[21] HHPS Strategy 9 refers to the Hawai'i Housing Policy Study (HHPS), which proposes strategies to address housing shortages, including the conversion of seasonal units for resident use.

Across Hawai'i, there were differences in the percentage of unavailable housing units. In the CCH, 6.9% of all units were unavailable. In the other counties, the figures were significantly higher, as in 22.3% for Kaua'i County, 15.1% in Hawai'i County, and 12.2% for Maui County.

a. Change In Housing Stock, 2017-2022

Analysis of Hawai'i's housing stock between 2017 and 2022 reveals significant changes in both overall inventory and utilization patterns. **Table 3** documents a 4.6% increase in total housing units during this period, representing an addition of 25,103 units to Hawai'i's housing inventory. At least a portion of this was attributable to a change in the US Census reflecting units in Honolulu County that were previously considered hidden housing units. Within this growth, single-family units increased by 6.8% while multi-family units showed more modest growth at 1.1%. (**Table 3**).

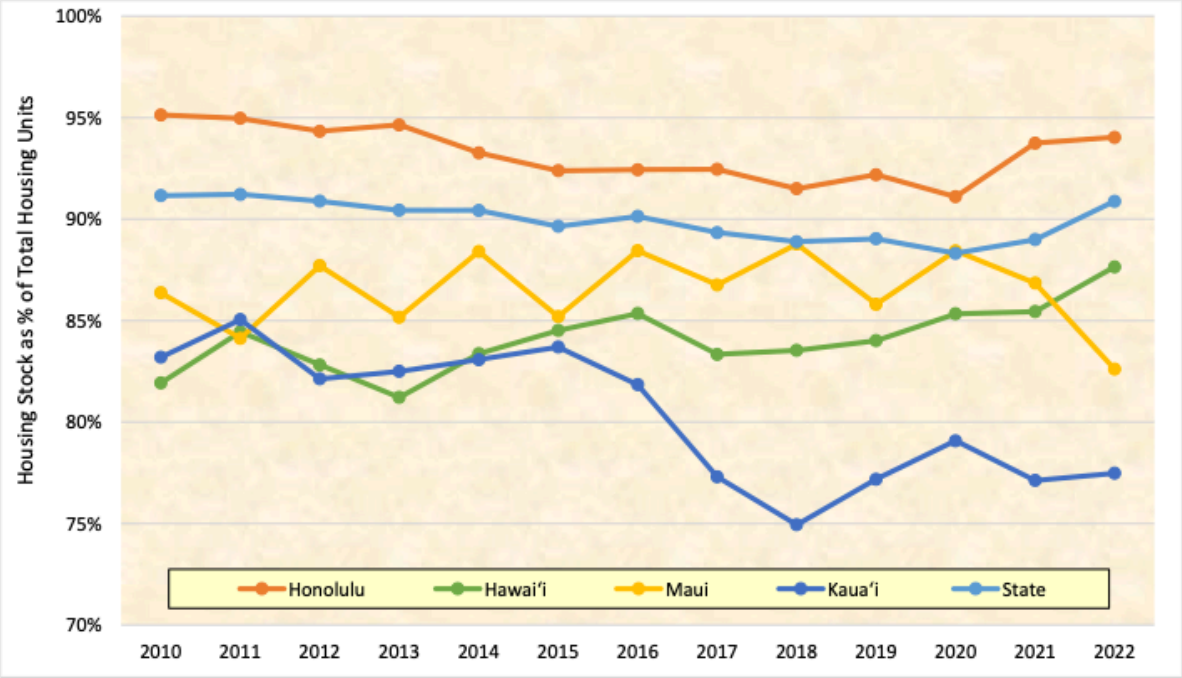
TABLE 3: STATE OF HAWAI'I, CHANGES IN HOUSING STOCK, 2017-2022

	2017		2022		Change 2017-2022	
	Number	Percent	Number	Percent	Number	Percent
Total Housing Units	542,955	111.9%	**568,058**	110.0%	**25,103**	**4.60%**
Single Family	336,324	69.3%	359,188	69.6%	22,864	6.80%
Multi-Family	206,631	42.6%	208,870	40.5%	2,239	1.10%
Total Available Housing Stock	**482,864**	100.0%	**516,242**	91.0%	31,176	**6.90%**
Total Occupied Housing Units	**458,078**	94.4%	**494,827**	86.0%	36,749	**8.00%**
Owner Occupied Units	268,078	55.3%	309,687	49.0%	41,609	15.50%
Renter Occupied Units	190,000	39.2%	185,140	37.0%	-4,860	-2.60%
Total Vacant Units	**84,877**	17.5%	**73,231**	14.2%	-11,646	**-13.70%**
Vacant Available	27,362	5.6%	21,415	4.1%	-5,573	-20.60%
For Rent	19,371	4.0%	12,298	2.4%	-7,073	-36.50%
Rented, not occupied	1,967	0.4%	1,425	0.3%	-542	-27.60%
For Sale only	3,439	0.7%	3,291	0.6%	-148	-4.30%
Sold, not occupied	2,211	0.5%	4,401	0.9%	2,190	99.10%
Vacant Unavailable	57,889	11.9%	51,816	10.0%	-6,073	-10.50%
Seasonal Use	37,802	7.8%	35,884	7.0%	-1,918	-5.40%
For Migrant Workers	0	0.0%	296	0.1%	296	--
Other vacant	20,087	4.1%	15,636	3.0%	-4,451	-22.20%

Source: 2017 and 2022 ACS, 1-yr. estimates.

Examination of housing stock trends, illustrated in **Figure 5** below, reveals distinct patterns across counties. CCH maintained relatively stable housing stock availability around 85-87% of total units, while Maui County exhibited more volatility. Kauaʻi County showed the most significant fluctuations, with notable decreases in available housing stock between 2016 and 2018, followed by partial recovery through 2022. It is important to note that Honolulu data demonstrated a sharp increase in its housing stock between 2020 and 2021. This may be at least partially attributable to changes in the 2020 decennial U.S. Census methodology for Honolulu, which included housing units that had not been counted in previous years and Censuses.

FIGURE 5: HOUSING STOCK AS A PERCENTAGE OF TOTAL HOUSING UNITS BY COUNTY, 2010–2022

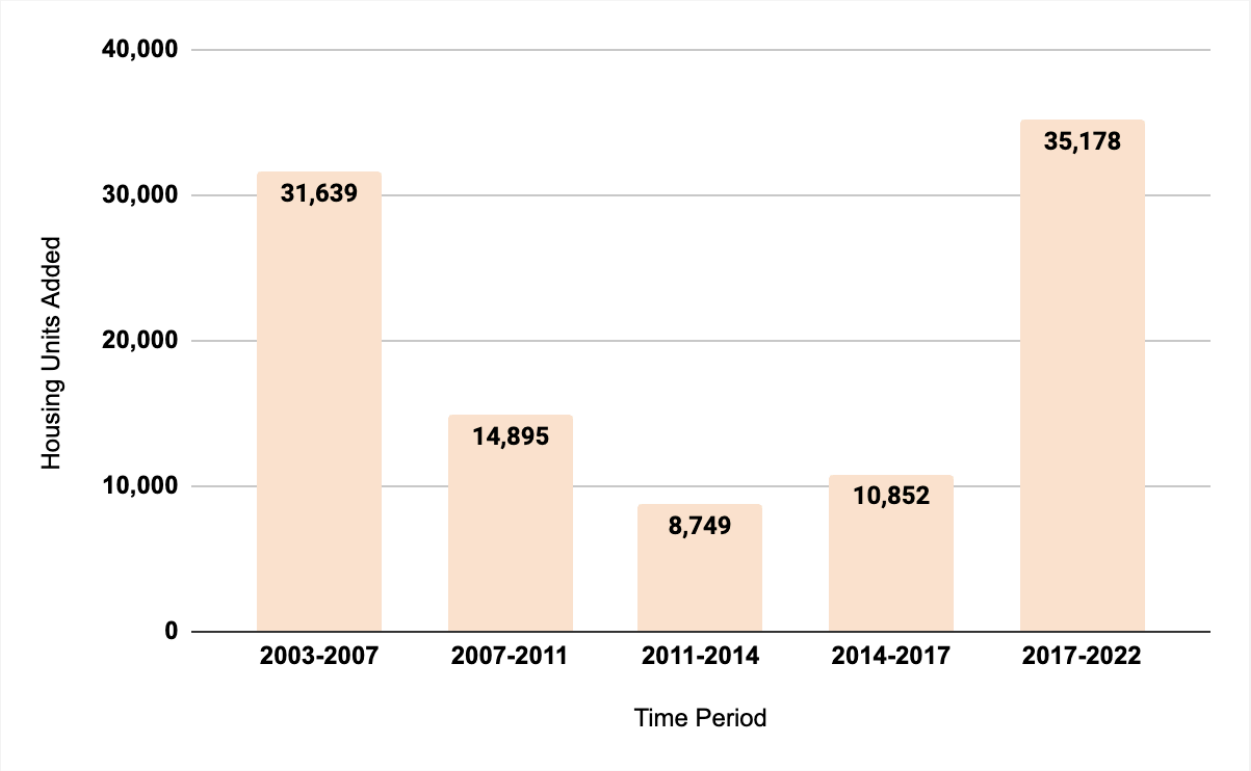


Source: SMS calculations from ACS 1-year data 2010-2019, 2021-2022; 5-year data 2020; Tables S2501, B25001, and B25004.
Source: SMS calculations from *State of Hawai'i Time Series Data Book* and ACS Tables in Series B25000.

Historical analysis of housing unit production, as shown in **Figure 6**, demonstrates notable fluctuations over the past two decades. Between 2003 and 2007, Hawai'i added 31,639 housing units across all counties. Subsequently, additions declined to 14,895 units (2007-2011) and further decreased to 8,749 units (2011-2014). This downward trend reversed between 2014-2017 with 10,852 new units, followed by substantial growth of 35,178 units during 2017-2022.[22]

[22] DBEDT, 2022 State of Hawai'i Data Book Series, Table 21.20, Housing Units by County.

FIGURE 6: HOUSING UNITS ADDED BY PERIOD STATEWIDE



Source: SMS calculations from ACS 1-year data 2010-2019, 2021-2022; 5-year data 2020; Tables S2501, B25001, and B25004.
Source: SMS calculations from State of Hawai'i Time Series Data Book and ACS Tables in Series B25000.

Key Insight:
- Housing unit growth rebounded significantly with 35,178 units added in 2017-2022, compared to 8,749 units in 2011-2014

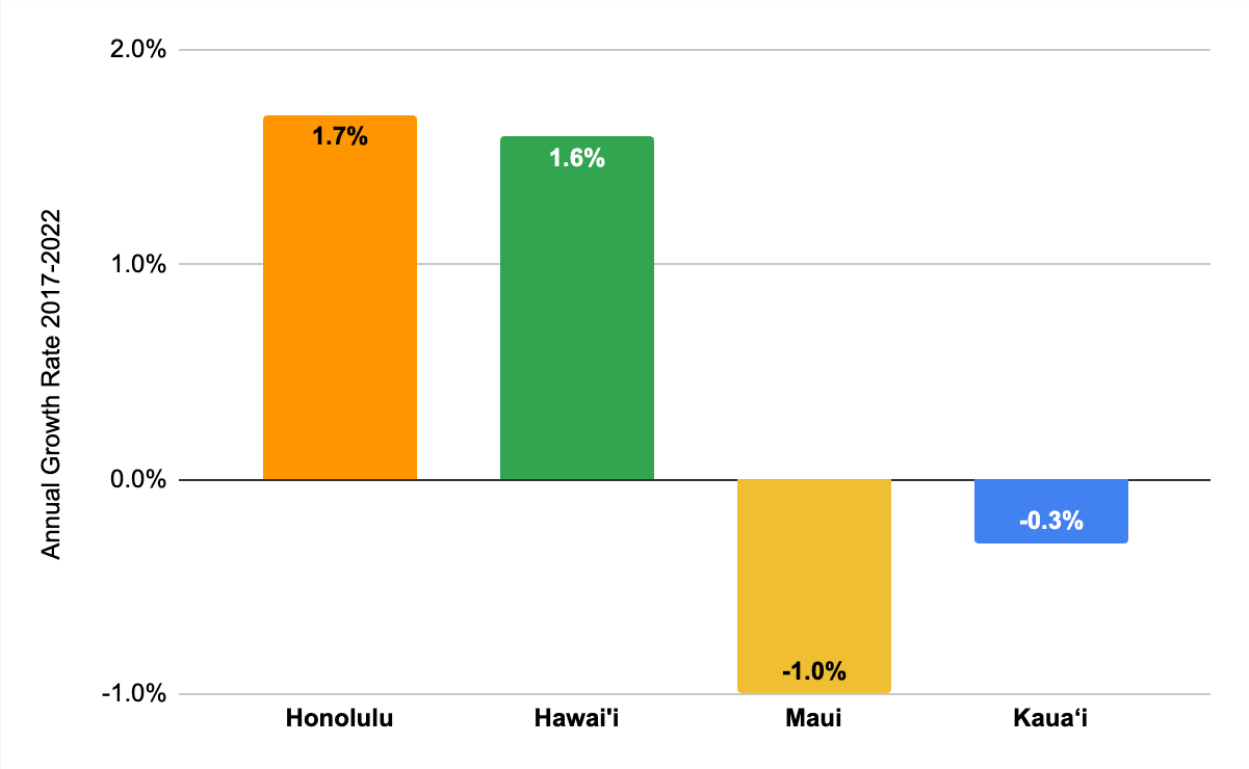
County-level analysis shows varying growth patterns between 2014 and 2022. Between 2014 and 2017, Hawai'i County led growth with an average annual increase of 1.1% to its housing stock, while the City & County of Honolulu (CCH) showed modest growth at 0.3% annually. This pattern shifted during 2017-2022 (**Figure 7**), when CCH demonstrated the strongest growth at 1.7% annually, while Hawai'i County maintained robust but slightly reduced growth at 1.6%. Conversely, Maui and Kaua'i counties exhibited negative housing stock growth during this period, decreasing by -1.0% and -0.3% respectively.

The housing stock challenges in Maui County were further exacerbated by the August 2023 fires, which destroyed over 2,200 structures—primarily residential units—in Lahaina, decimating a significant portion of the county's already strained housing inventory. It is important to note that negative housing stock growth does not solely indicate demolished units; it may also reflect units being reclassified as seasonal or becoming vacant and unavailable to the housing stock. For instance, Maui County's 12.2% and Kaua'i County's 22.3% of housing units classified as

unavailable in 2022—far higher than Honolulu's 6.9%—suggest a substantial shift toward seasonal or vacation use.

In Kauaʻi, despite adding nearly 4,900 new units between 2010 and 2020, the available housing stock shrank by 334 units, emphasizing how new construction often feeds the vacation market rather than resident needs. Maui's situation is compounded by its high shelter-to-income ratios, with 23.8% of households spending over 50% of their income on housing in 2022—the highest among the counties—leaving little resilience against the fire-driven losses. These dynamics highlight a dual pressure on Maui and Kauaʻi: physical losses and regulatory or market-driven shifts that erode the resident housing stock, intensifying affordability and availability challenges in these counties.

FIGURE 7: ANNUAL HOUSING GROWTH RATE BY COUNTY, 2017-2022



Source: American Community Survey (ACS) 1-year estimates, 2017 and 2022.

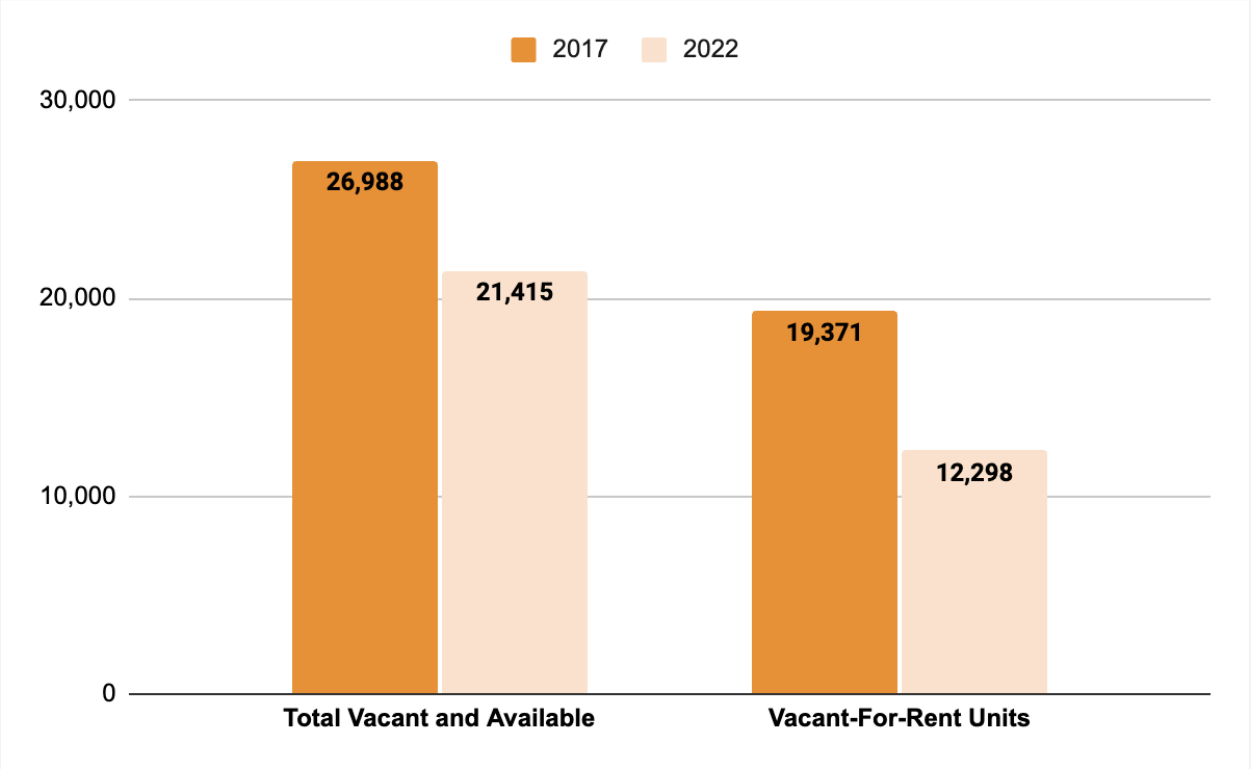
A concerning trend emerges in the vacant housing sector (**Figures 7 and 8**). Vacant and available units decreased by 20.7% between 2017 and 2022, dropping from 26,988 to 21,415 units. More notably, vacant-for-rent units experienced a 36.5% decline. This significant reduction in rental inventory suggests a tightening market that may impact housing accessibility and affordability.

The sharp decline in vacant-for-rent units is particularly noteworthy as it represents a significant shrinking of the available rental inventory. This reduction has important implications for Hawaiʻi's housing market, as vacant and available units serve as essential "swap space" that allows for

normal market movement of residents between housing units. The steeper decline in vacant-for-rent units compared to overall vacant units suggests a particularly tight rental market, which could make it more challenging for renters to find available units and potentially contribute to upward pressure on rental prices.

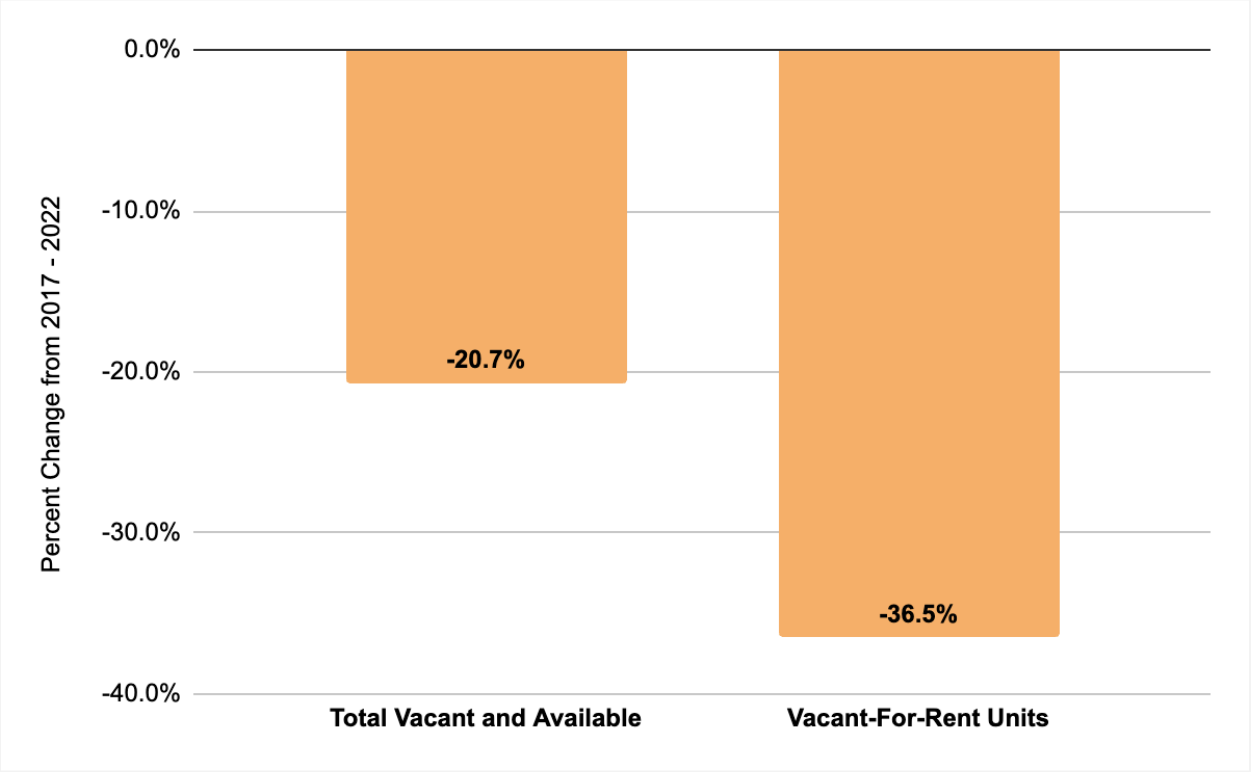
This substantial decrease in vacant units, particularly in the rental sector, reflects broader challenges in Hawai'i's housing market, including limited housing supply and high demand for residential properties. The data points to a market with increasingly limited options for those seeking rental housing, a trend that could particularly impact workforce and affordable housing availability.

FIGURE 8: DECLINE IN VACANT HOUSING UNITS BY CATEGORY, STATE OF HAWAI'I, 2017-2022



Source: American Community Survey (ACS) 1-year estimates, 2017 and 2022.

FIGURE 9: PERCENT CHANGE IN VACANT HOUSING UNITS, STATE OF HAWAIʻI, 2017-2022



Source: American Community Survey (ACS) 1-year estimates, 2017 and 2022.

The Department of Hawaiian Home Lands (DHHL), established under the Hawaiian Homes Commission Act of 1920 (HHCA), plays a critical role in Hawaiʻi's housing landscape by providing residential, agricultural, and pastoral leases to native Hawaiian beneficiaries on approximately 200,000 acres of trust land. Notably, land is leased for $1 per year for 100 year leases, and improvements are often sold at or near cost. This means that DHHL homes generally cost considerably less than market rate and are affordable to many more households.

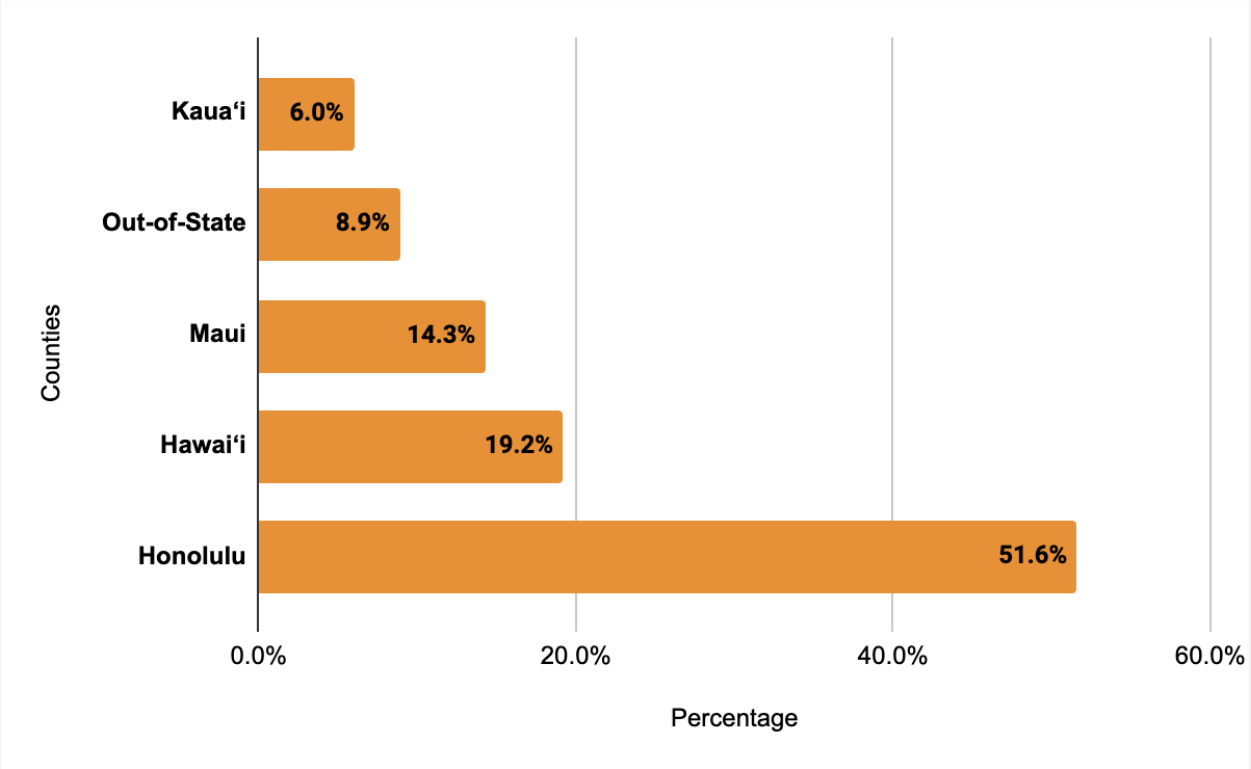
From 2017-2022, a number of projects that had been in development through DHHL became available, contributing to Hawaiʻi's overall growth of 35,178 housing units (**Figure 6**). As of June 30, 2022, DHHL managed 9,981 homestead leases statewide,[23] an increase from activities and projects noted in the 2017 report[24], which included residential lot awards and construction in areas such as Waiohuli (Maui), Anahola (Kauaʻi), Kapolei, and Waimānalo (Oʻahu). A notable example is the Hoʻolimalima pilot project in Kapolei, Oʻahu, where 69 applicant-renters became lessee-homeowners in FY 2017 (July 1, 2016, to June 30, 2017), directly adding to the housing stock.

However, the geographic distribution of DHHL beneficiaries highlights a significant challenge in aligning housing supply with demand. As shown in **Figure 10**, 51.6% of DHHL beneficiaries live

[23] https://dhhl.hawaii.gov/wp-content/uploads/2023/02/DHHL-FY22-Annual-Report.pdf.
[24] https://dhhl.hawaii.gov/wp-content/uploads/2019/08/DHHL-Annual-Report-2017-FINAL.pdf.

in Honolulu County, where housing stock is already limited. In contrast, only 19.2% reside in Hawai‘i County, 14.3% in Maui County, and 6.0% in Kaua‘i County—even though DHHL land is more available on those islands. An additional 8.9% of beneficiaries live out-of-state, further complicating efforts to provide housing on trust lands. This out-of-state population may reflect the impact of Hawai‘i’s high housing costs and long wait times for DHHL awards, which can span decades, pushing some beneficiaries to seek more affordable housing options elsewhere. For example, the report notes that 60.8% of households planning to leave Hawai‘i cite housing costs as a primary reason, a trend that disproportionately affects Native Hawaiians, with 53% now living outside Hawai‘i. DHHL may consider targeted outreach strategies or incentives, such as expedited lease awards or financial assistance for relocation, to encourage these beneficiaries to return and engage with housing opportunities on trust lands.

FIGURE 10: GEOGRAPHIC DISTRIBUTION OF DHHL BENEFICIARIES, 2023



Source: HHPS 2024, DHHL Beneficiary Counts.

TABLE 4: TOTAL NUMBER OF DHHL LEASES BY ISLAND, 2017–2023

Island	2017	2018	2020	2021	2022	2023	% of Total Leases (2023)
O'ahu	4,330	4,331	4,382	4,409	4,431	**4,435**	**44.4%**
Maui	1,407	1,406	1,406	1,405	1,403	**1,400**	**14.0%**
West Hawai‘i Island	1,261	1,264	1,270	1,270	1,267	**1,269**	**12.7%**
East Hawai‘i Island	1,263	1,260	1,259	1,259	1,255	**1,255**	**12.6%**
Kaua‘i	744	745	744	743	742	**747**	**7.4%**
Moloka‘i	842	842	839	839	839	**839**	**8.4%**
Lāna‘i	29	29	33	44	44	**44**	**0.4%**
Total	***9,876***	***9,877***	***9,933***	***9,967***	***9,981***	***9,989***	***100%***

Note: Data for 2019 is not included due to the absence of available DHHL lease figures for that year. Source: DHHL Annual Reports (2017–2023).

Table 4 illustrates the distribution of DHHL leases across Hawai‘i’s islands from 2017 to 2023, revealing both incremental growth and persistent disparities in lease allocation relative to beneficiary locations. Over this period, the total number of DHHL leases increased modestly from 9,876 in 2017 to 9,989 in 2023, a net gain of 113 leases (1.1% growth). O‘ahu consistently holds the largest share of leases, growing from 4,330 in 2017 to 4,435 in 2023 (a 2.4% increase), accounting for 44.4% of all leases in 2023. However, this is less than the needs of the 51.6% of beneficiaries residing in Honolulu County (**Figure 10**), indicating a gap between lease availability and beneficiary demand in this urban area—where housing stock is already constrained.

In contrast, neighbor islands show more stability in lease numbers: Maui’s leases slightly declined from 1,407 to 1,400 (14.0% of total leases in 2023), aligning closely with the 14.3% of beneficiaries in Maui County; West and East Hawai‘i Island together hold 25.3% of leases (1,269 + 1,255 = 2,524 leases), which is higher than the 19.2% of beneficiaries in Hawai‘i County, suggesting a surplus of leases relative to local demand; and Kaua‘i’s leases increased slightly from 744 to 747 (7.5% of total leases), exceeding the 6.0% of beneficiaries in Kaua‘i County. Moloka‘i and Lāna‘i, with 8.4% and 0.4% of leases respectively, show no growth in total leases, which may encourage deeper consideration of opportunity for appropriate future utilization of available DHHL land.

This distribution highlights a critical mismatch: while O‘ahu’s lease growth has been the most significant, it still cannot keep pace with the concentration of beneficiaries in Honolulu County, exacerbating housing pressure in an already tight market. Conversely, neighbor islands such as Hawai‘i, Kaua‘i, and Moloka‘i have a higher proportion of leases relative to their beneficiary populations, yet these areas remain underpopulated by beneficiaries, likely due to limited infrastructure, employment opportunities, or other barriers. The 8.9% of beneficiaries living out-of-state further complicates this dynamic, as these individuals are not currently accessing

leases on trust lands. Addressing this mismatch will require strategic interventions, raised in some strategies as including, for example:

- Accelerating lease awards on Oʻahu to meet more urban demand through increased production of multi-family units to accommodate the 51.5% of applicants in CCH
- Securing more Oʻahu lands into trust (through swap, acquisition, or other means)
- Investing in infrastructure - water, roads, healthcare, public transportation, childcare - and incentives to make neighbor islands more attractive for beneficiaries, potentially encouraging relocation

b. Homeownership

Hawaiʻi's homeownership rate in 2022 is 62.6%. Hawaiʻi County has the highest rate of homeownership at 73.8%, followed by Maui County at 64.5%, and Kauaʻi County at 64.4%. CCH consistently has the lowest homeownership rate at 59.7%.

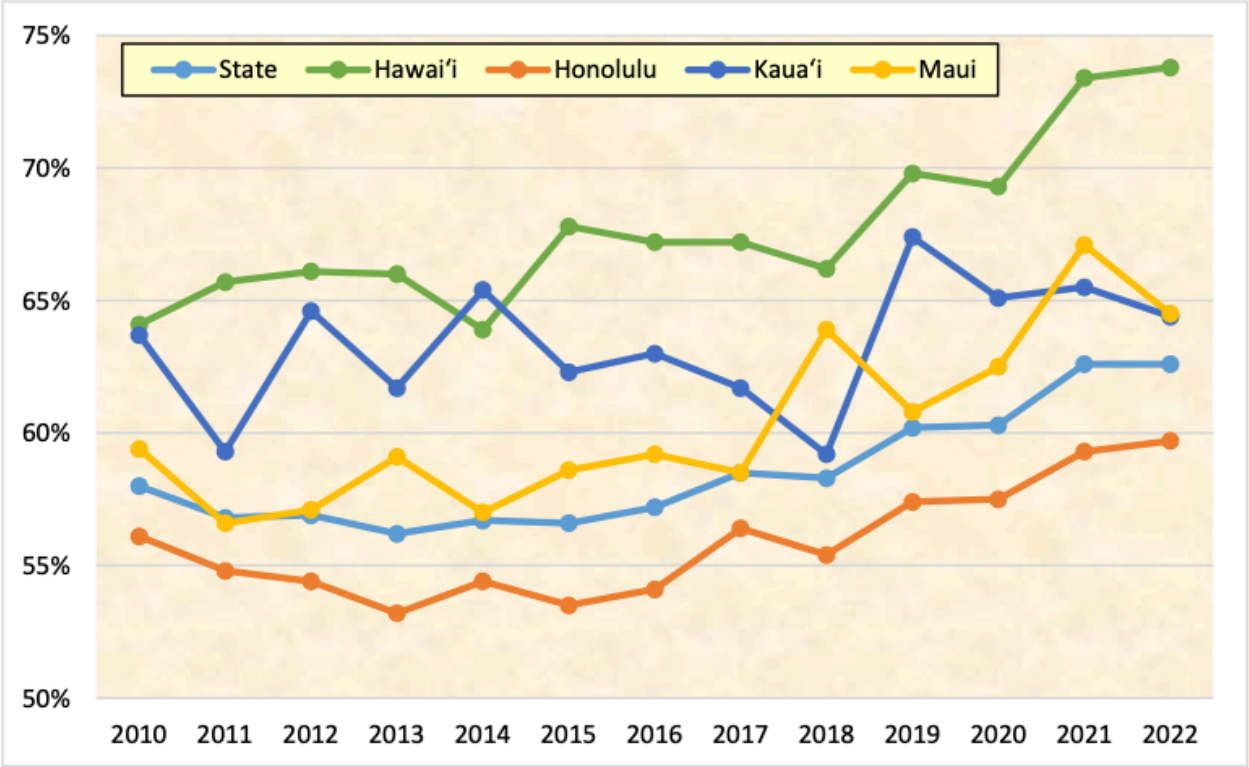
Low homeownership rates are typically the result of high prices, low inventories, and a lack of confidence in the market that slows sales, particularly in high-priced markets like Hawaiʻi. These conditions have the greatest impact on first-time buyers. It is typically their entry into the market that boosts the homeownership rate. Historically, homeownership rates rose during the market run-up in the early-1990s and fell during the late-1990s. Between 1990 and 2010, while the housing stock was growing, homeownership rates also grew. Between The Great Recession and the Coronavirus Disease of 2019 Pandemic (COVID-19), homeownership rates steadily increased in Hawaiʻi.

In the past decade, homeownership rates have increased by 5.7% statewide. CCH and Hawaiʻi County have exhibited a fairly steady upward trend in homeownership rates since 2010, while rates for Maui and Kauaʻi counties tend to be more volatile (**Figure 11**). ACS 1-year estimates are only available back to 2010 for this data.

Key Insights:

- Statewide homeownership rate reached 62.6% in 2022, increasing 5.7% over the past decade despite challenging market conditions.
- Significant county-level disparities exist, with 14.1 percentage points separating Hawaiʻi County (73.8%) from the City and County of Honolulu (59.7%).
- First-time buyers face significant barriers due to high prices, low inventory, and market uncertainty.
- Rural counties demonstrate higher homeownership rates but with greater volatility, while urban Honolulu shows lower but more stable rates.

FIGURE 11: HOMEOWNERSHIP RATES, 2010-2022



Source: 2010-2022 ACS 1-year estimates, Table DP04.

c. Shelter Cost and Shelter-to-Income Ratios

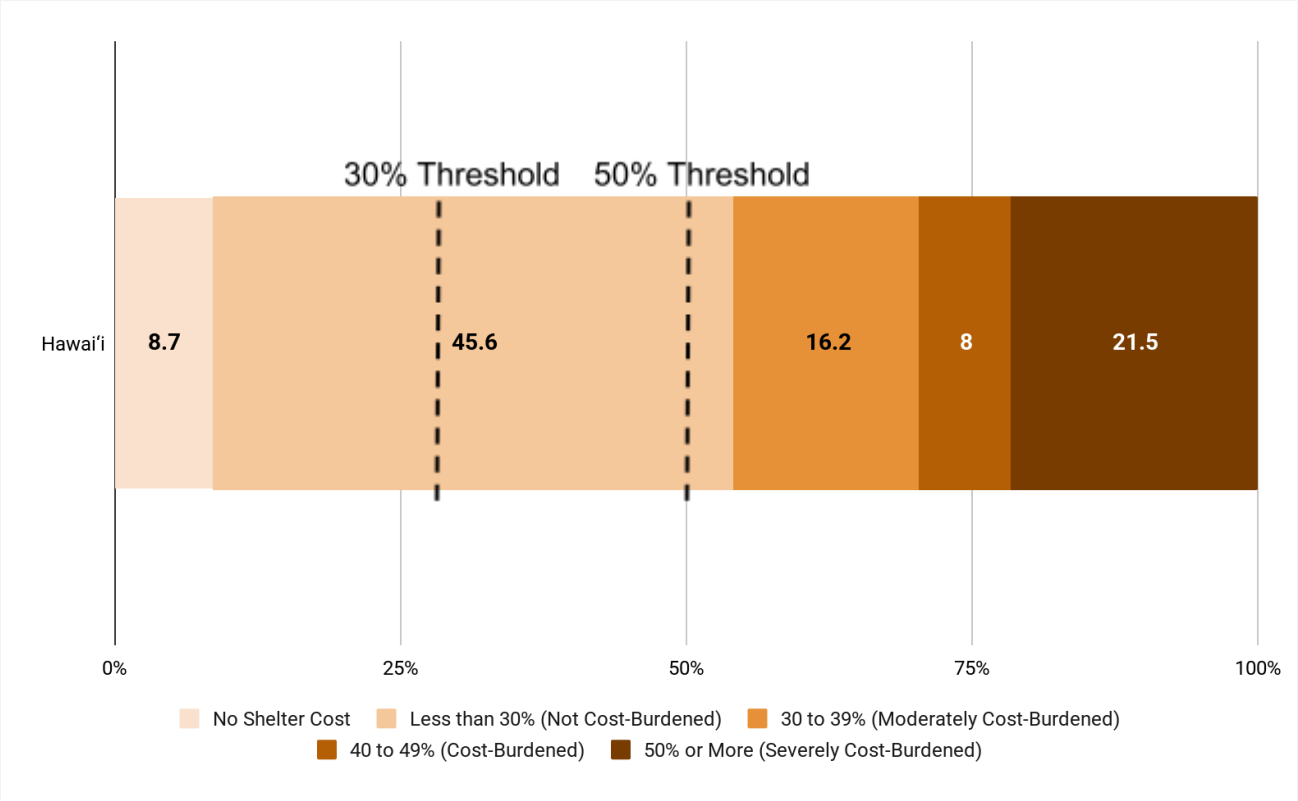
The shelter-to-income (STI) ratio measures the percentage of monthly household income spent on housing costs, including rent or mortgage payments plus utilities. High-priced housing markets such as Hawai‘i often have high STI ratios. Households with STI ratios greater than 30% are identified as *cost-burdened*, meaning they may have difficulty affording other necessities like food, transportation, and healthcare. Those with ratios higher than 50% are said to be *severely cost-burdened*, indicating they spend more than half their monthly income on housing costs.

1) Current Housing Burden in Hawai‘i, 2022

In 2022, housing affordability in Hawai‘i remained a significant challenge, with a notable portion of households facing cost burdens. As shown in **Figure 12**, 54.3% of households spent less than 30% of their income on shelter costs, including 8.7% with no shelter payment—an improvement over time. However, 45.7% of households were cost-burdened with 21.5% classified as severely cost-burdened. The proportion of households spending 30% to 39% (16.2%) and over 40% (29.5%) has increased over time, highlighting a growing strain on

housing affordability that has persisted over the past decade, as explored in the following sections.

FIGURE 12: HOUSING COST BURDEN IN HAWAIʻI, 2022: SHELTER-TO-INCOME RATIO



Source: 2022-2023 *Housing Demand Survey*. The base is all owners and renters in Hawai'i for whom income and monthly housing payment data was available. Not Reported" category (4.6%) is excluded from the visualization. Percentages are adjusted to sum to 100%.

Key Insights: Current Housing Cost Burden in Hawai'i (2022)

- **54.3%** of households are not cost-burdened, spending less than 30% of income on housing:
  - 8.7% have no shelter payment.
  - 45.6% spend less than 30% of income on housing.
- **45.7%** of households are cost-burdened, spending 30% or more of income on housing:
  - 16.2% spend 30-39% (moderately cost-burdened).
  - 8.0% spend 40-49% (cost-burdened).
  - 21.5% spend 50% or more (severely cost-burdened).

Note: Percentages are adjusted to exclude the "Not Reported" category (4.6%) and sum to 100%.

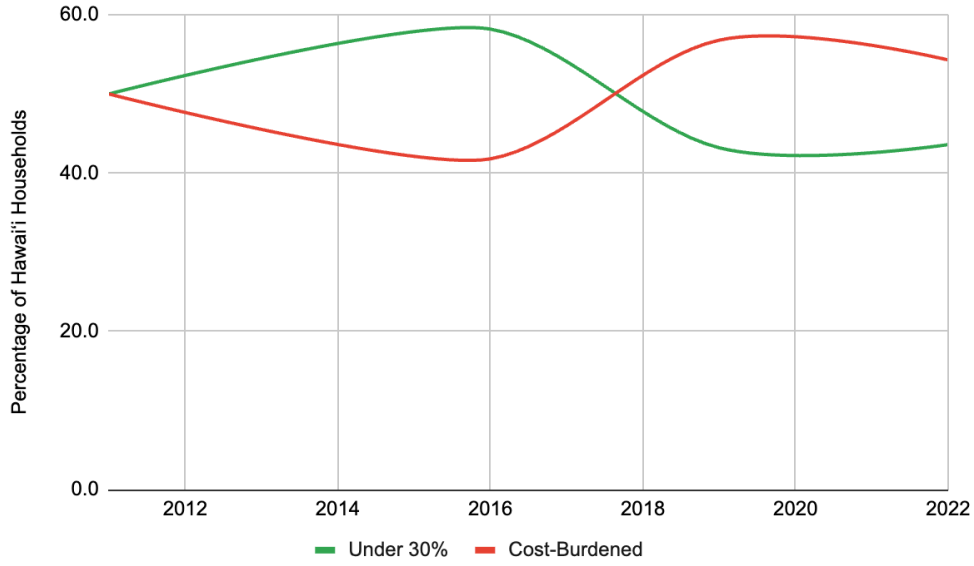
2) Historical Trends in Housing Affordability, 2011-2022

Housing affordability in Hawai‘i has shown significant changes over the past decade. In 2011, approximately half of Hawai‘i residents paid less than 30% of their monthly income for shelter costs, including rent or mortgage plus utilities[25]. This is a key indication of affordability. Housing affordability peaked in 2016, when 58.2% of households spent less than 30% of their income on housing[26]. During this period, 11.3% of households devoted between 30% and 39% of their income to shelter payments, while the remaining quarter spent 40% or more on housing.

A significant shift occurred in 2019, when only 43.2% of households maintained affordable housing costs (less than 30% of income), despite 17.3% having no shelter payment. Among cost-burdened households, a small portion devoted between 30% and 40% of their income to shelter costs, while nearly one-quarter (23.1%) spent more than 40% of their monthly income on housing. In 2022, the situation improved, with 54.3% of households spending less than 30% of income on housing.

As shown in **Figure 13**, housing affordability peaked in 2016 with 58.2% of households spending less than 30% of income on housing. A significant decline occurred by 2019, dropping to 43.2% of households with affordable housing costs. This trend illustrates the growing challenge of housing affordability in Hawai‘i over the past decade.

FIGURE 13: HOUSING AFFORDABILITY TREND IN HAWAI‘I, 2011-2022



Source: *Housing Demand Survey*, 2011-2022. Notes: 1. Shelter costs include monthly mortgage/rent payments plus utilities; 2. Cost-burdened households are defined as those spending 30% or more of monthly income on housing costs; 3. Data includes households with no shelter payment.

[25] 2011 HHPS.
[26] 2016 HHPS.

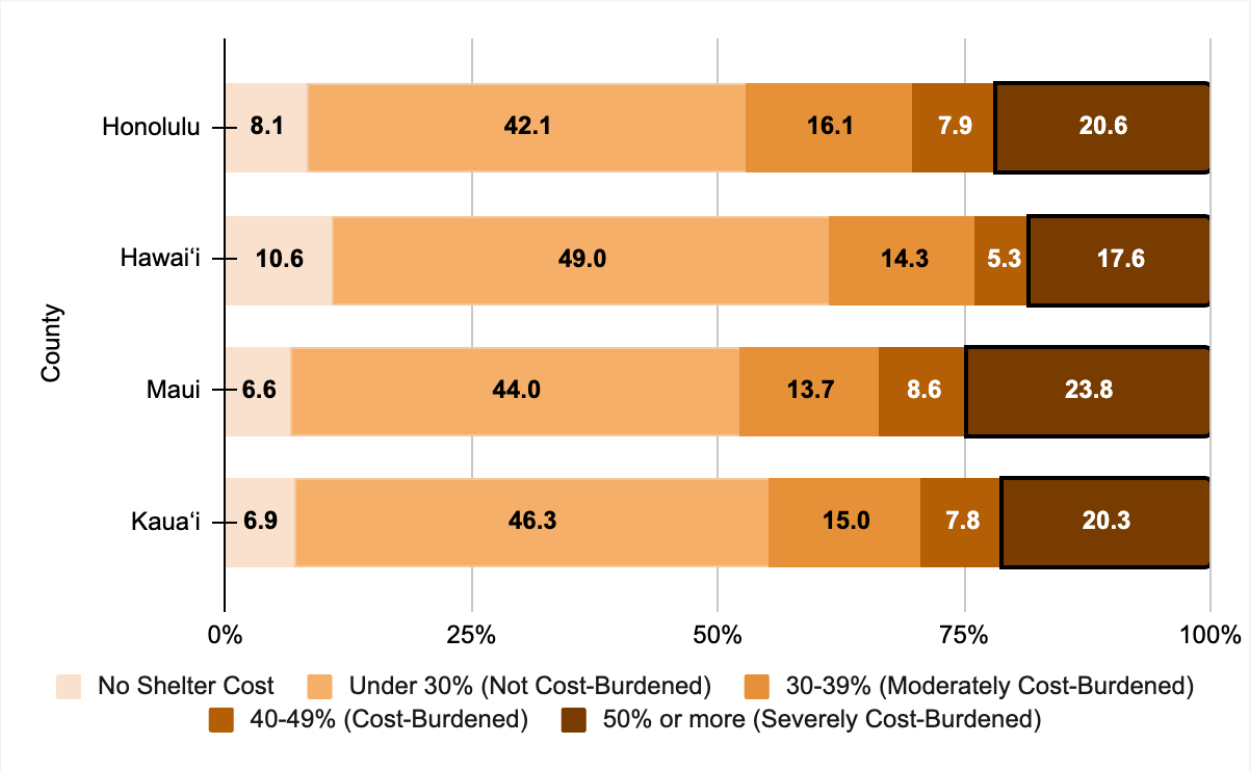
Key Insights: Historical Trends in Housing Affordability (2011-2022)

- **2011:** Approximately 50% of households maintained affordable housing costs.
- **2016:** Housing affordability reached its peak with 58.2% of households spending less than 30% of income on housing
- **2019:** Sharp decline to 43.2% spending less than 30%, despite 17.3% having no shelter payment.
- **2022:** Affordability improved to 54.3% spending less than 30%.

3) Housing Cost Burden Across Geographic Variations

Analysis of county-level data reveals significant geographic differences in housing affordability. In 2022, Hawai‘i and Kaua‘i counties demonstrated the highest levels of affordability, with 49.0% and 46.3% of households respectively maintaining STI ratios below 30%. In contrast, Maui County reported the highest proportion of severely cost-burdened households, with 23.8% spending more than half their income on shelter, followed by CCH at 20.6%.

FIGURE 14: MONTHLY SHELTER PAYMENT AS A PERCENTAGE OF HOUSEHOLD INCOME BY COUNTY, 2022



Source: *2022-2023 Housing Demand Survey*. The base for this table is all owners and renters in Hawai‘i for whom income and monthly housing payment data was available. Notes: 1. Base includes all owners and renters in Hawai‘i for whom income and monthly housing payment data was available. 2. "Not Reported" percentages were excluded from the visualization: Honolulu (5.2%), Hawai‘i (3.2%), Maui (3.3%), and Kaua‘i (3.8%).

Figure 14 shows that while some households have no shelter costs (ranging from 6.6% to 10.6% across counties), a significant portion of each county's households face moderate to severe cost burdens. Of particular concern is the substantial percentage of households spending 50% or more of their income on housing costs, represented in the darkest shade, which reaches nearly a quarter of all households in Maui County.

Across Hawai'i, the percentage of households with an STI ratio of more than 30% is often used as an indication that housing is not affordable. There is evidence that Hawai'i's STI ratios are higher than most of the nation. The percentage of mortgage holders spending more than 30% of their monthly income on housing costs increased from 40.3% in 2019 to 41.8% in 2021.[27] The burden on renters is even more severe, with the percentage of renters spending more than 30% of their income on housing increasing from 55.6% in 2019 to 57.8% in recent years.

4) Long-term Trends and Income Effects

STI ratios have risen slowly over time in Hawai'i, with renter households experiencing consistently higher ratios than homeowners.[28] During the 1990s, a depressed housing market kept prices and rents relatively stable while the growing economy raised household incomes. However, housing prices soared between 2003 and 2006, causing a sharp increase in cost-burdened renter households from 48% in 2006 to 60% in both 2011 and 2016. Currently, the majority of renters remain cost-burdened, with 57.8% spending more than 30% of their income on housing.[29]

The impact of housing costs falls most heavily on lower-income households. According to **Table 5**, households earning less than $15,000 annually make up the largest share of severely cost-burdened households across all counties—34.1% in Hawai'i County, 28.2% in Maui County, 20.9% in CCH, and 17% in Kaua'i County. The burden decreases significantly as household income increases, with only a very small percentage of households earning over $150,000 spending more than half their income on housing.

[27] 2021 ACS, Table DP04 1-year estimates.
[28] See Table A-10 and A-11 in the Appendix for trend data.
[29] 2024 HHPS.

TABLE 5: HOUSEHOLD INCOME FOR HOUSEHOLDS WITH 50+% SHELTER-TO-INCOME RATIO, BY COUNTY, 2022

Household Income	County				State
	Honolulu	Maui	Hawai'i	Kaua'i	
Less than $15,000	20.9%	28.2%	34.1%	17.0%	23.4%
$15,000 to $24,999	14.1%	12.6%	19.0%	14.6%	14.6%
$25,000 to $29,999	10.7%	10.0%	8.6%	8.2%	10.2%
$30,000 to $34,999	4.8%	6.4%	7.6%	6.3%	5.5%
$35,000 to $39,999	5.4%	5.4%	3.1%	6.4%	5.1%
$40,000 to $44,999	6.1%	3.7%	5.2%	7.2%	5.7%
$45,000 to $49,999	5.8%	5.6%	1.7%	11.1%	5.5%
$50,000 to $59,999	15.3%	13.2%	10.4%	10.5%	14.2%
$60,000 to $74,999	8.0%	6.8%	6.3%	5.9%	7.6%
$75,000 to $99,999	2.3%	4.4%	2.7%	4.8%	2.7%
$100,000 to $124,999	2.8%	1.9%	0.8%	1.5%	2.3%
$125,000 to $149,999	1.4%	1.4%	0.0%	2.6%	1.3%
$150,000 to $174,999	2.4%	0.4%	0.6%	4.0%	2.0%

Source: *2022-2023 Housing Demand Survey*. The base for this table is all owners and renters in Hawai'i for whom income and monthly housing payment data was available.

d. Affordable Housing

Having one housing unit per household and enough vacant units to ensure a reasonable vacancy rate does not ensure that all families will be adequately housed. There must be a mix of unit types, tenures, and sizes in the right locations. A functioning housing market includes luxury, high-priced units for those who can afford them. It also needs units for the middle market and a sufficient number of safe, affordable housing units for low-income households. The number of units needed at each category are the numbers that are most valuable for housing planners and the most difficult to quantify.

There are many definitions of *affordable housing* and many ways to describe its impact on the population. The STI ratio and its role in estimating affordability were previously discussed. Households with high STI ratios, regardless of income bracket, are said to be living in unaffordable units. Areas with high average STI ratios are less affordable than those with lower ratios. In recent years, the hourly wage and salary income level needed to rent a median-priced, two-bedroom apartment has been proposed as a measure of housing affordability. The National Low-Income Housing Coalition (NLIHC) developed this measure, which is available annually in the Out of Reach Report[30] **Table 24** summarizes the findings for 2023. See also ***Table D-1*** in the Appendix.

[30] https://nlihc.org/oor/state/hi.

TABLE 6: HOUSING WAGE, STATE OF HAWAIʻI, 2023

Housing Wage	
Studio	$29.26
One-bedroom	$32.11
Two-bedroom	$41.83
Three-bedroom	$58.55
Four-bedroom	$58.78
Annual Income Needed to Afford	
Studio	$60,861
One-bedroom	$66,796
Two-bedroom	$87,013
Three-bedroom	$121,787
Four-bedroom	$143,068
Work Hours/Week at $12 Minimum Wage	
Studio	98
One-bedroom	107
Two-bedroom	139
Three-bedroom	195
Four-bedroom	195

Source: National Low Income Housing (NLIHC), Out of Reach Report, 2023.

Hawaiʻi's 2023 two-bedroom housing hourly wage is $41.83, representing the income households must earn to pay for a median-priced two-bedroom unit without dedicating more than 30% of their monthly income to housing payments. Hawaiʻi's rate is second in the nation only to California ($42.25). The average wage among renter households statewide, however, is essentially half that amount ($24.37).

Comparing these two numbers highlights why so many households have extremely high STI ratios. While Hawaiʻi's two-bedroom housing wage was slightly lower than California's, the shortfall between the average renter wage (amount renters earn) and the two-bedroom housing wage (amount required to afford an average two-bedroom rental unit) was the highest in the nation at $17.46/hour.

Key Insights:

Hawaiʻi has the nation's highest gap between what renters earn and what they need to earn to afford a typical 2-bedroom rental unit.

Hawai'i's Housing Wage Gap	
Required Housing Wage	$41.83/hr
Average Renter Wage	$24.37/hr
Wage Gap	**$17.46/hr**

Substantial differences in the housing wage exist between CCH and the other counties. Honolulu rental prices necessitate an hourly wage of $43.21 to afford a two-bedroom unit at the fair market rent (FMR), up from $39.06 in 2019. The housing wage for Kauaʻi County is most similar at $41.31. While lower than other counties, the 2023 two-bedroom housing wages for Maui and Hawaiʻi counties remained high at $38.19 and $36.56, respectively.

e. Crowding and Doubling-up

Crowding and doubling-up are frequently used measures of housing conditions, and both are generally accepted as indicators of housing duress. They are considered measures of pent-up demand for housing and a sign that household formation may be constricted. *Crowding* is defined as having more than one person per room (used in studies from 1992 to 2011) or more than two persons per bedroom (used in studies from 2016 to 2023), reflecting a shift to a more appropriate measure for housing planning over time.

Stakeholders pointed to Hawai‘i’s doubling-up rate as influenced by extended family living and values of multigenerational households. Hawai‘i’s relatively large household size supports that idea. However, survey questions measured doubling up solely out of financial necessity (as opposed to by choice or preference) and showed substantial rates of doubling up out of necessity rather than preference.

In earlier studies, crowding was measured using Census data (the ratio of persons in the household to rooms in the unit they occupy). The 2016 HHPS switched to the persons per bedroom definition, which is seen as the more appropriate measure for housing planning.

Doubling-up is defined as having more than two generations in the household, having unrelated individuals in the household, or having same-generation relatives in the household. In all cases, the *2022-2023 Housing Demand Survey* shows that doubled-up persons are in the household because they cannot afford to live elsewhere.

Table 7 below shows crowding and doubling-up data for the State and each of the counties. Crowding and doubling-up behave differently in each of the counties. In general, the rates are more volatile in CCH. Maui and Kaua‘i Counties have similar profiles in 2023 and are typically less crowded than O‘ahu. Hawai‘i County has been the least crowded and least volatile market. The pattern of change in crowding and doubling-up is nearly the same as for other counties, but the rate of change is lower.

The 1992 HHPS followed a major price run-up during which high prices kept many would-be buyers from entering the market. The 1997 HHPS was nearing the end of a very long market recovery during which incomes were catching up with prices and crowding was notably lower than in 1992. The 2003 HHPS survey was done at the beginning of the next price run-up.

By 2006, Hawai‘i was at the peak of the largest price run-up in its history. During that period, housing production increased and crowding and doubling remained low. In 2008, The Great Recession adversely impacted the housing market in terms of reduced production, and the effects were dramatic. Crowding began to increase until 2011 when it seemed to have peaked. After a slight decline in 2016, levels of crowding rose again with a 3.1% increase between 2016 and 2019. Crowding appears to be down slightly statewide in 2023, falling from 13.6% in 2019 to 12.6% in 2023.

While crowding and doubling-up highlight the pressures on household formation, the age, condition, and size of Hawai‘i’s housing stock provide further insight into the state’s housing challenges.

Key Insight:
Despite cultural narratives about multigenerational living preferences, 21.7% of Hawai‘i households are experiencing housing stress through either crowding (13.7%) or doubling-up (11.5%) primarily due to financial necessity. This rate has remained persistently high since the 2008 financial crisis, with Honolulu showing the highest crowding rate at 14.3%.

TABLE 7: CROWDING, STATE AND COUNTIES OF HAWAIʻI, HHPS 1992 THROUGH 2023

			Crowding Indicators		
County	**Year**	**Total Households**	Crowded	Doubled Up	Crowded and/or Doubled up
Honolulu	1992	247,349	23.20%	N/A	32.00%
	1997	272,234	10.60%	N/A	27.20%
	2003	292,003	10.10%	10.00%	17.60%
	2006	303,149	8.10%	9.70%	15.20%
	2011	310,882	13.30%	13.80%	22.90%
	2016	317,459	11.40%	11.90%	21.00%
	2019	311,451	14.10%	13.30%	23.10%
	2023	**330,393**	**14.30%**	**11.90%**	**22.80%**
Maui	1992	34,266	26.80%	N/A	25.90%
	1997	39,252	10.40%	N/A	24.80%
	2003	43,687	11.00%	8.70%	17.30%
	2006	49,484	7.70%	9.60%	15.30%
	2011	54,132	10.70%	13.00%	19.20%
	2016	55,059	9.80%	14.10%	21.40%
	2019	54,434	13.80%	14.10%	22.50%
	2023	**53,919**	**12.90%**	**11.50%**	**20.60%**
Hawaiʻi	1992	39,789	18.70%	N/A	26.00%
	1997	46,271	7.90%	N/A	24.30%
	2003	54,644	7.00%	9.30%	14.40%
	2006	61,213	6.90%	11.20%	15.90%
	2011	67,096	8.40%	11.30%	17.20%
	2016	66,989	7.40%	11.10%	16.00%
	2019	67,054	11.50%	10.30%	18.00%
	2023	**71,402**	**12.70%**	**9.70%**	**19.00%**
Kauaʻi	1992	16,981	17.40%	N/A	26.30%
	1997	18,817	9.10%	N/A	25.40%
	2003	20,460	6.00%	12.50%	16.10%
	2006	21,971	6.60%	11.90%	15.50%
	2011	23,201	10.50%	11.70%	18.10%
	2016	23,369	8.90%	11.50%	19.20%
	2019	22,563	12.20%	14.50%	21.40%
	2023	**22,668**	**10.60%**	**10.00%**	**18.10%**
State	1992	338,385	22.20%	N/A	30.30%
	1997	376,574	10.20%	N/A	26.50%
	2003	410,794	9.60%	10.00%	17.10%
	2006	435,818	7.80%	10.00%	15.30%
	2011	455,311	12.10%	13.20%	21.40%
	2016	462,876	10.50%	12.00%	20.20%
	2019	455,502	13.60%	13.00%	22.20%
	2023	**478,382**	**13.70%**	**11.50%**	**21.70%**

Source: *Housing Demand Survey* from the following years 1992, 1997, 2003, 2006, 2011, 2016, 2019, 2023. Base for Total Households from 2021 ACS, 5-year estimates. [a] Based on more than 1 person per room for 1992-2011, then 2 persons per bedroom for 2016-2023. [b] More than one family group in a single housing unit (See Glossary).[c] Percent of households crowded, doubled up, or both. Before 2003, HHPS measured crowding and “crowded or doubled up”. After 2003, HHPSs measured crowding, doubled up, and the combination of both.

f. Age and Condition of Units

Compared to other U.S. housing markets, Hawai‘i’s housing stock is newer and smaller in size. In Hawai‘i, the median number of rooms per housing unit was 4.8. Nationally, the average housing unit had 5.6 rooms in 2022. Statewide, the median year residential units were built was 1980, which is slightly younger than the national median (1981). CCH’s homes are the oldest, with a median build year of 1977, followed by Maui and Kaua‘i Counties (1985) and Hawai‘i County (1990).

According to the U.S. Census Bureau, very few of Hawai‘i’s housing units are in poor or substandard condition (i.e., lacking complete plumbing or kitchen facilities). The 2021 single-year estimate from ACS indicates 0.9% of occupied housing units Statewide had incomplete plumbing facilities and 1.9% had incomplete kitchen facilities[31]. Across the counties, the rate of incomplete plumbing facilities ranged from a high of 2.2% in Hawai‘i County to a low of 0.1% in Kaua‘i County. The counties’ rates of incomplete kitchen facilities ranged from a high of 2.3 % in Hawai‘i County and a low of 1.6 % in Kaua‘i County. This compares to the National average of 0.4% of occupied housing units without complete plumbing facilities and 0.8% with incomplete kitchen facilities according to the 2021 single-year estimate from ACS.

Within the DHHL community, homes in long-established neighborhoods may face additional challenges. According to the *DHHL 2020 Beneficiary Survey,* 47% of these homes required repairs, with many leaseholders unable to afford them—51% reported they could not afford minor repairs, and 72% indicated they could not afford major repairs. In a number of communities, Counties have not taken over the infrastructure after being built as with other developments, putting a strain on roads and utilities over time. These findings highlight the unique maintenance and affordability issues affecting native Hawaiian homestead communities, despite the generally low rates of substandard conditions statewide.[32]

2. Housing Stock Growth

Hawai‘i’s total housing units increased from 520,088 in 2010 to 568,075 in 2022, representing a total addition of 47,987 units over a twelve-year period. This equates to an average of nearly 4,000 new units constructed per year, or an annual total inventory growth rate of 0.8%.

However, the available housing stock—units actually available for resident use—shows a different pattern. As defined in the glossary, housing stock includes all occupied units plus vacant units available for sale or rent (often referred to as "swap space"), but excludes units classified as unavailable, such as those used for seasonal, recreational, or occasional use, or

[31] 2021 ACS, Table DP04, 1-year estimate.

[32] https://dhhl.hawaii.gov/wp-content/uploads/2021/01/G-3-For-Information-Only-2020-DHHL-Beneficiary-Study-Survey-Results.pdf.

held for other reasons (e.g., caretakers). **Table 8** below shows both total housing units and available housing stock for 2010 and 2022, highlighting the gap between these two measures.

Again, it is important to note that Honolulu data demonstrated a sharp increase in its housing stock between 2020 and 2021. This may be at least partially attributable to changes in the 2020 decennial U.S. Census methodology for Honolulu, which included housing units that had not been counted in previous years and Censuses.

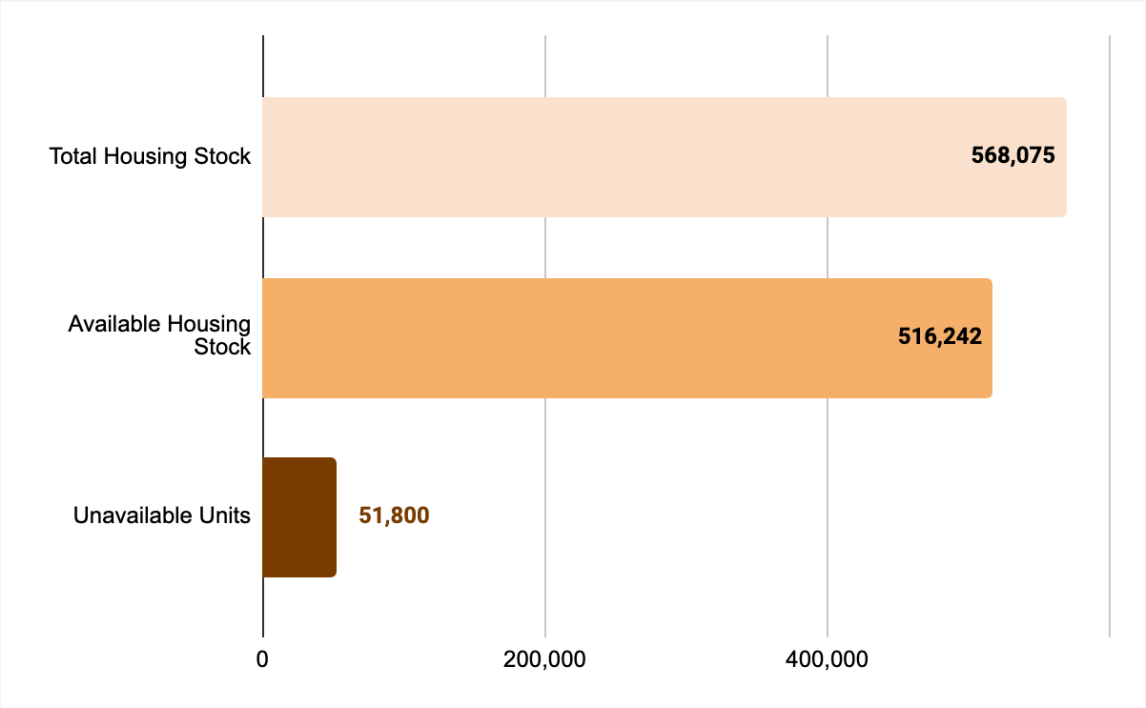
TABLE 8: HOUSING STOCK GROWTH 2010 - 2022

	Total Housing Units 2010	Total Housing Units 2022	Total Units Added	% Change (Total)	Available Housing Stock 2010	Available Housing Stock 2022	Available Stock Added	% Change (Available)
State	*520,088*	*568,075**	*47,987*	*9.2%*	*467,324*	*516,242*	*48,918*	*10.5%*
Hawai'i	74,693	84,497	9,804	13.1%	66,952	76,756	9,804	14.6%
Honolulu	337,418	372,456	35,038	10.4%	316,518	351,557	35,039	11.1%
Kaua'i	26,069	26,069	0.0%	0.0%	23,946	23,612	-334	-1.4%
Maui	81,908	84,335	2,427	3.0%	59,908	62,335	2,427	4.1%

**State total may not align with the sum of the counties due to rounding.*
Source: 2010–2022 ACS, Tables B25001–B25004, 1-year estimate (Total Housing Units); Available Housing Stock 2022 from Table 10 (PUMS 2022); Available Housing Stock 2010 from original Table 9. *Note:* Total housing units are calculated assuming a 9.1% unavailable rate (per Table 3), as county-level unavailable data is not available. Available Housing Stock 2022 is updated to 516,242 (from Table 10), aligning with the text's implied 516,275 (568,075 – 51,800). Kaua'i's total units in 2022 (26,069) do not reflect the 4,885 new units constructed (2010–2020) mentioned in the text, suggesting a data discrepancy that may require further investigation.

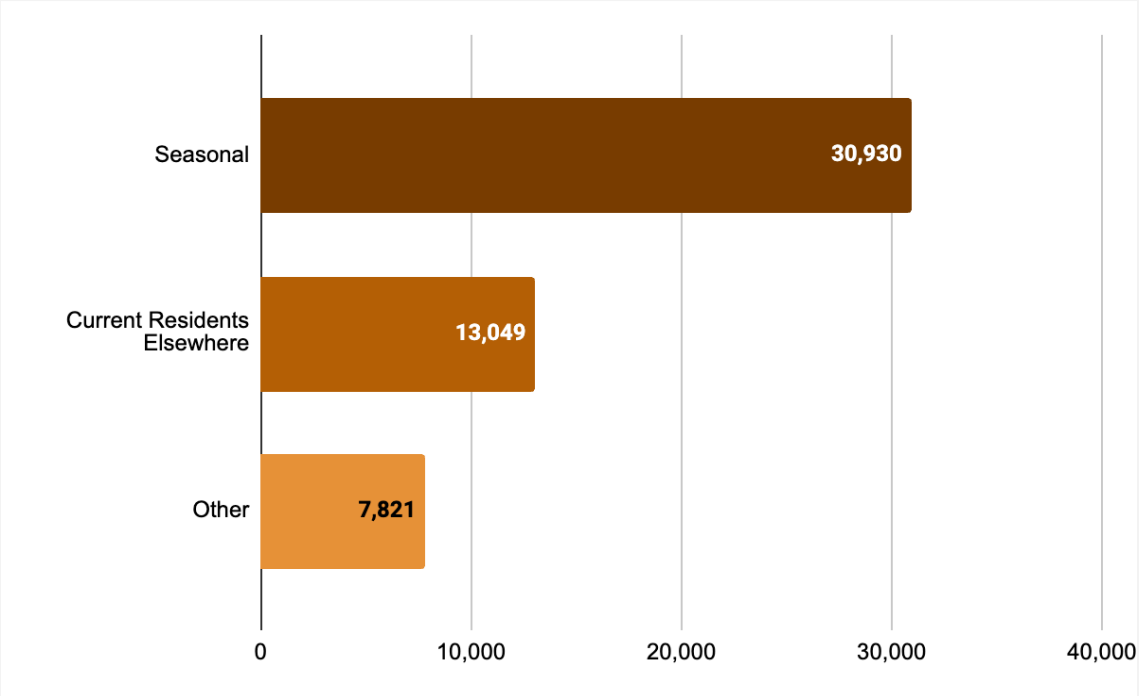
Despite overall growth in total housing units, the gap between total inventory and units actually available for residents has widened significantly. In 2022, 51,800 units (9.1% of total housing) were effectively removed from the residential market through vacation rentals, seasonal homes, and other unavailable classifications. As shown in **Appendix Table B-3**, 43,979 of these unavailable units were classified as seasonal (30,930) or held by current residents elsewhere (13,049), with the remaining 7,821 likely falling into 'other vacant' categories. This reduction in available housing stock puts additional pressure on an already tight market, driving up costs and limiting options for local residents seeking housing. To illustrate this distinction, **Figure 15A** provides a visual representation of the 2022 housing inventory, showing what is included and excluded from the housing stock, with **Figure 15B** breaking down the unavailable units into specific categories.

FIGURE 15A: BREAKDOWN OF HOUSING INVENTORY, STATE OF HAWAIʻI, 2022



Source: 2010-2022 ACS, Tables B25001 – B25004, 1-year estimate.

FIGURE 15B: BREAKDOWN OF UNAVAILABLE UNITS, STATE OF HAWAIʻI, 2022



Source: 2022 ACS 1-year estimates, Table 10 (PUMS 2022), Table B-3 (ACS 5-year estimates, Tables DP04, B25005, B25007).

As shown in **Appendix Table B-3**, 43,979 of these unavailable units were classified as seasonal (30,930) or held by current residents elsewhere (13,049), with the remaining 7,821 likely falling into 'other vacant' categories (e.g., units held for personal reasons, caretakers). This reduction in available housing stock puts additional pressure on an already tight market, driving up costs and limiting options for local residents seeking housing. For example, while Kauaʻi County saw nearly 4,885 new units built between 2010–2020, their available housing stock for residents actually decreased by 334 units during this period (from 23,946 to 23,612). This occurred because many new units were classified as vacation homes or seasonal units, effectively removing them from the available housing stock for residents. **Table B-3** also shows that statewide, seasonal units decreased by 12.4% from 2017 to 2022 (from 35,324 to 30,930), but the high number of seasonal units (30,930 in 2022) suggests that vacation rentals remain a significant factor in Kauaʻi, where short-term rentals are prevalent outside tourist destination areas (as noted in **Appendix J**).

a. New Units - 1990 -2022

Looking at the longer historical trend, housing production has fluctuated significantly since 1990. Between 2003 and 2007, Hawaiʻi added 31,639 housing units. Subsequently, additions declined to 14,895 units (2007-2011) and further decreased to 8,749 units (2011-2014). This downward trend reversed between 2014-2017 with 10,852 new units, followed by substantial growth of 35,178 units during 2017-2022.

Changes in available housing stock are driven by two main factors:

1. **Housing Production**: New units added through construction (measured via completion certificates or year-over-year inventory changes)
2. **Vacancy Classification**: How units are categorized (resident housing vs. seasonal/vacation/other unavailable status)

The available housing stock grew from 467,324 units in 2010 to 514,260 units in 2022, representing a 10.0% increase over this period. This growth rate was comparable to the national average of 10.6% across all states.

This difference between total inventory growth (0.8% annually) and available housing stock growth (10.0% over the period) demonstrates how units can shift between available and unavailable status. For example, while Kauaʻi County saw approximately 4,885 new housing units constructed between 2010-2020, their available housing stock actually decreased by 334 units. This occurred because many new units were classified as vacation homes or seasonal units, effectively removing them from the available housing stock for residents. As counties have implemented policy changes that enforce against illegal short-term rentals, they have seen movement of units from unavailable into the housing stock.

When more units are classified as seasonal or vacant-other, the available housing stock decreases even if total inventory grows. This distinction between total inventory and available

stock is critical for understanding Hawai‘i’s persistent housing supply challenges, which will be examined further in the projections section.

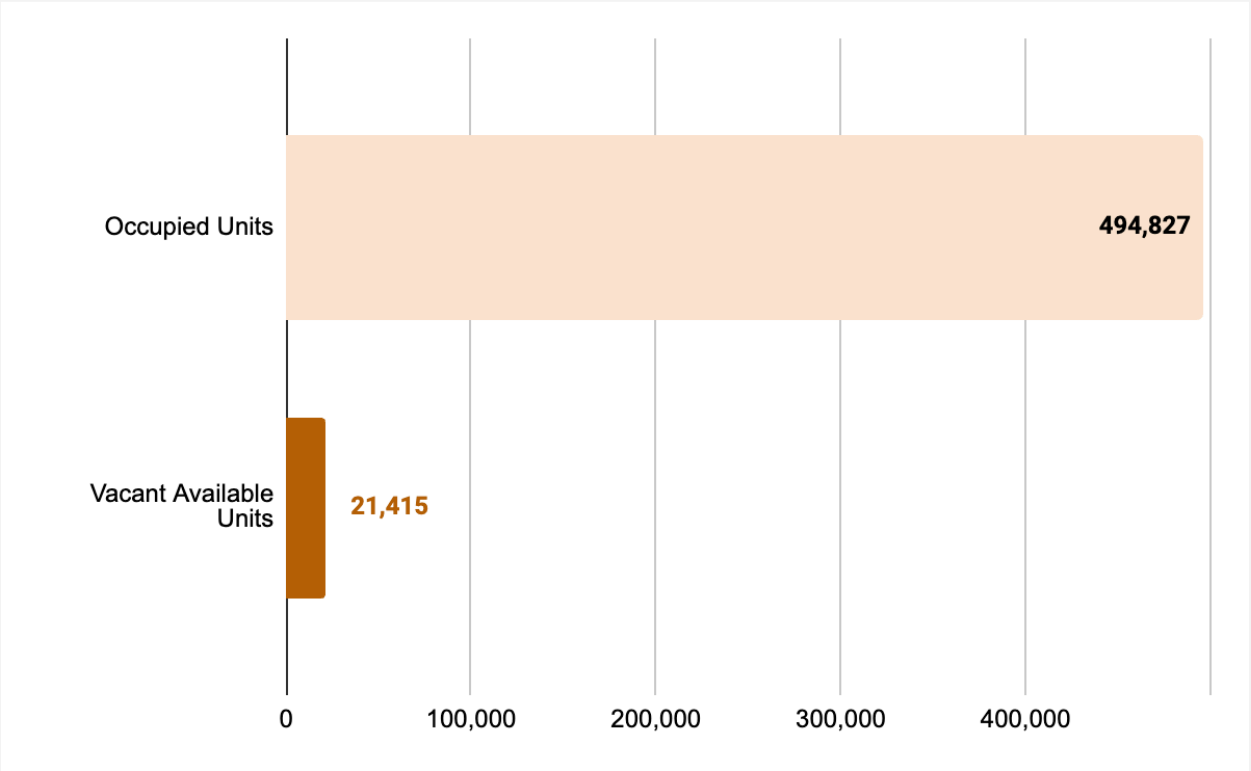
Key Insight:

- Despite adding 4,885 new housing units on Kaua‘i between 2010–2020, the number of units actually available for resident housing decreased by 334 units between 2010–2022. This paradox shows that new construction doesn’t always increase housing access for locals, as many units become vacation rentals or seasonal homes.

b. Characteristics of Housing Stock

Housing stock consists of all occupied housing units and vacant units available as "swap space"—vacant but available units that facilitate the normal flow of buying, selling, and renting in a housing market. The 2024 HHPS scope of work includes analyzing each planning area's population, housing units, and housing market conditions, with data updated each iteration to align with current market conditions and the latest economic and population projections. Based on 2022 Public Use Microdata Sample (PUMS) data, the state has 516,242 total housing units available for residents, consisting of 494,827 occupied units (95.8% of total housing stock) and 21,415 vacant available units (4.2% of total housing stock) serving in 2022 as "swap space." **Figure 15C** below provides a visual representation of this breakdown. Within this available housing stock, several key patterns emerge: multi-family units are predominantly rentals (61%), while single-family units are predominantly owner-occupied (74%). Additionally, rental units make up a much higher share of vacant units (66%) compared to occupied units (37%). **Table 9** provides a detailed breakdown of Hawai‘i’s housing stock by occupancy, unit type, tenure, and price segments.

FIGURE 15C: AVAILABLE HOUSING STOCK BREAKDOWN, STATE OF HAWAIʻI, 2022



Source: 2010-2022 ACS, Tables B25001 – B25004, 1-year estimate.

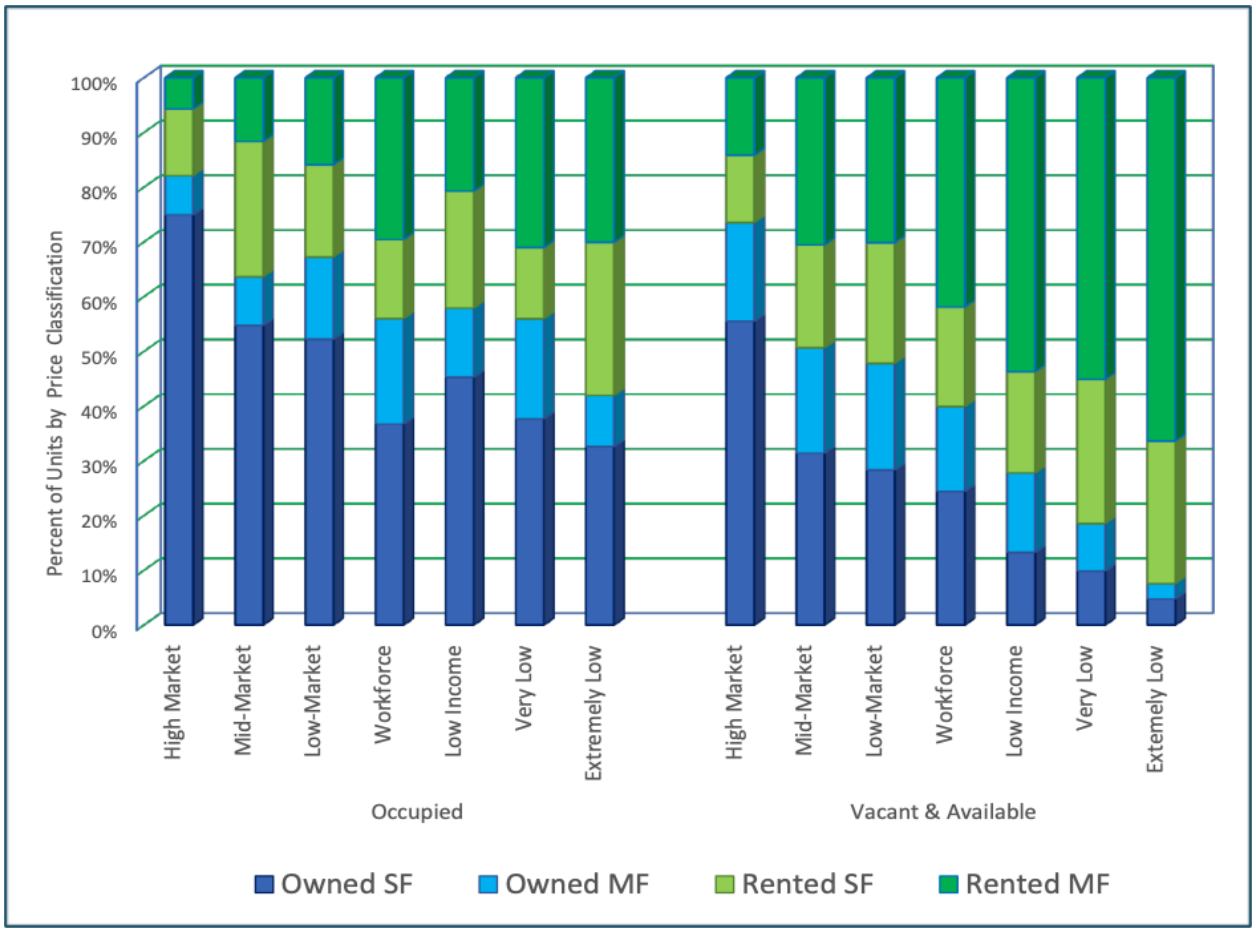
TABLE 9: HOUSING UNITS AVAILABLE TO THE STATE HOUSING MARKET, 2022

Housing Category		Housing Unit Supply Estimate								
Market Segment	Tenure	Occupied Units			Vacant & Available			Total Housing Stock		
		SF	MF	Total	SF	MF	Total	SF	MF	Total
High-Market (>180% AMI)	Owned	83,570	8,008	91,578	1,695	550	2,245	85,189	8,566	93,755
	Rental	13,565	6,371	19,936	376	432	808	13,933	6,809	20,742
Mid-Market (140 to 180% AMI)	Owned	24,064	3,908	27,972	725	445	1,170	24,777	4,364	29,141
	Rental	10,861	5,120	15,981	435	705	1,140	11,294	5,844	17,138
Low-Market (120 to 140% AMI)	Owned	31,178	8,970	40,148	419	288	707	31,560	9,254	40,814
	Rental	10,069	9,484	19,553	326	445	771	10,391	9,931	20,322
Workforce (80 to 120% AMI)	Owned	48,890	25,651	74,541	744	471	1,215	49,580	26,097	75,677
	Rental	19,246	39,367	58,613	554	1,274	1,828	19,789	40,624	60,413
Low Income (60 to 80% AMI)	Owned	20,415	5,703	26,118	528	578	1,106	20,929	6,294	27,223
	Rental	9,636	9,349	18,985	737	2,139	2,876	10,386	11,556	21,942
Very Low Income (30 to 60% AMI)	Owned	20,249	9,807	30,056	335	297	632	20,563	10,098	30,661
	Rental	7,010	16,663	23,673	899	1,879	2,778	7,933	18,587	26,520
Extremely Low Income (Under 30% AMI)	Owned	15,546	4,457	20,003	197	117	314	15,725	4,571	20,296
	Rental	13,339	14,331	27,670	1,078	2,748	3,826	14,436	17,163	31,599
All Households	Owned	243,912	66,504	310,416	4,643	2,745	7,388	248,322	69,244	317,566
	Rental	83,726	100,685	184,411	4,405	9,622	14,027	88,161	110,514	198,675
	Total	327,638	167,189	494,827	9,048	12,367	21,415	336,484	179,758	516,242

Source: PUMS, 2022. Price segments for occupied units with a mortgage and for vacant and available units were based on shelter payments (monthly costs including mortgage/rent, utilities, insurance, and taxes). Price segments for ownership units with no mortgage were based on housing value. Note. SF = single-family; MF = multi-family. Additional details regarding the pricing segments can be found in Appendix Table L-1.

The patterns become even clearer when examining how housing types and tenure vary across price points, as shown in **Figure 16**.

FIGURE 16: HOUSING CHARACTERISTICS BY PRICE RANGE, OCCUPIED AND VACANT UNITS, HAWAIʻI, 2022



Source: PUMS, 2022. Owned Vacant & Available units include For Sale and Sold, Not Occupied housing units. Rented Vacant & Available units include For Rent and Rented, Not Occupied housing units.

For occupied units, the percentage of rental units, both single-family and multi-family, increases steadily as the price drops. For vacant and available units, that relationship is nearly linear. These patterns reflect basic economic principles, where lower-priced units tend toward rental tenure, while higher-priced units trend toward ownership. This consistent market segmentation, where housing types and tenure align predictably with price points, supports using a supply and demand model to analyze Hawaiʻi's housing market. The data shows the market responds to price signals in expected ways, making it suitable for economic modeling despite Hawaiʻi's unique housing challenges.

The 2024 HHPS scope of work[33] includes the review and analysis of each planning area's population, housing units, and housing market conditions. This data is updated at each new iteration of the study so that the estimates will be consistent with current market conditions and the most recent economic and population projections.

[33] In 2022, sponsors included HHFDC, HPHA, DHHL, Hawaiʻi County, Maui County, and Kauaʻi County housing offices, and CCH Department of Community Services.

3. Housing Production

Housing production is commonly measured by subtracting the number of housing units in one year from the number in the following year. Housing units can be added over time through various means: constructing new units, reclassifying non-residential structures as housing, reclaiming former residential units from non-housing uses, refurbishing previously unusable units, or subdividing larger units into smaller ones. While the number of housing units has increased compared to the previous year, it cannot be definitively concluded that all of these units were produced within that same year. When dealing with supply, especially demand-adjusted supply, it is critical to know all the details about what has been, is currently, and will soon be produced. Thus, the anticipated supply has been incorporated into this report to help identify remaining gaps.

a. Impediments to Production

Hawai‘i’s housing markets are supply inelastic,[34] which means a change in demand does not necessarily lead to a corresponding change in supply in a timely or efficient manner. That leads to chronically low production numbers and high prices. Previous versions of the HHPS and other studies have identified major impediments to the production of housing in Hawai‘i. While these factors each may play an important role in ensuring supply is developed in a safe and responsible way, in alignment with general plans, the impact is often to slow production. These major factors include the lack of reasonably priced developable lands, insufficient public infrastructure, high construction costs, government regulations, community concerns, and environmental requirements.[35] The paragraphs below summarize these challenges.

1) Geographic Limitation

Hawai‘i has finite undeveloped land near its major population centers. As an island archipelago of mountains rising from the ocean floor, Hawai‘i’s percentage of land suitable for development is the lowest among the 50 states (Saiz, 2010). Hawai‘i’s topography further limits development potential, and as more area is developed, fewer acres of undeveloped land remain, encouraging increased interest in greater density of existing and planned housing to support more units per acre. The value of undeveloped land increases and the political power of owners of developed land grows. Supply is attenuated, causing prices to rise[36] as geographic and topographic constraints reduce housing supply and limit housing investment.[37]

Many have encouraged increased attention to public lands being made available for housing development, which can help to address this barrier while also keeping project costs lower, provide for regional rather than site-specific planning, and create communities with transportation, park, and economic networks, rather than housing alone. In 2018, the State

[34] A market situation in which any increase or decrease in the price of a good or service does not result in a corresponding increase or decrease in its supply.
[35] HHFDC, Consolidated Plan for Program Years 2015 through 2019, May 15, 2015.
[36] Hilbert and Robert-Nicoud identified a highly significant independent variable in their analyses of housing prices was the ratio of acres of developed land to acres of developable land.
[37] Paciorek, Andrew D. 2013. Supply constraints and housing market dynamics. Journal of Urban Economics, Vol. 77, p. 11-26.

published the *Affordable Rental Housing Report* and *Ten Year-Plan*,[38] which identifies the use of public lands as the primary strategy to address the need for developing additional affordable housing, and identified 10,719 acres within Tier 1 parcels across Hawai'i, suitable for affordable housing development. Another 1.4 million public-owned acres were identified as Tier 2 and 3, potentially suitable for affordable housing but with greater barriers to development.

TABLE 10: COMBINED PUBLIC AND PRIVATE LANDS ACREAGE BY COUNTY AND TIER LEVEL, HAWAI'I 2018

County	Land Owner	Tier 1 Acres	Tier 2 Acres	Tier 3 Acres	Total Acres
	State	557	1,200	301,238	302,995
	County	96	16400.0%	4,344	4,604
	Private	3,558	11,010	687,945	702,513
Hawai'i	***Subtotal***	***4,211***	***12,374***	***993,527***	***1,010,112***
	State	1,548	2,741	13,104	17,393
	County	446	1,708	1,104	3,258
	Private	1,863	2,110	80,695	84,668
Honolulu	***Subtotal***	***3,888***	***6,566***	***94,885***	***105,339***
	State	149	23600.0%	20,283	20,668
	County	88	11500.0%	26500.0%	46800.0%
	Private	398	2,586	39,508	42,492
Kaua'i	***Subtotal***	***635***	***2,937***	***60,056***	***63,628***
	State	539	51600.0%	57,112	58,167
	County	257	1500.0%	1,597	1,869
	Private	1,189	4,439	248,054	253,682
Maui	***Subtotal***	***1,985***	***4,970***	***306,763***	***313,718***
TOTAL	**All Counties**	**10,719**	**26,847**	**1,455,231**	**1,492,797**

Note: Numbers are formatted with thousand separators for readability. Source: Adapted from Tables 5-8, "Affordable Rental Housing Report and 10-Year Plan," 2018.

2) Lack of Major Off-Site Infrastructure

Gaps in off-site infrastructure have long been identified as a challenge to new housing.[39] It has been noted in public policy documents[40] and was discussed by developers, affordable housing advocates, and government housing officials in stakeholder interviews conducted over the last four iterations of the HHPS.

[38] Available at: https://files.hawaii.gov/dbedt/op/spb/AffordableRentalHousingReport_10YearPlan.pdf.
[39] As distinguished from the issue of inadequate or antiquated infrastructure in developed areas.
[40] Mayor's Advisory Housing Advisory Committee, CCH, Final Report & Recommendations, April 2006.

During earlier periods of major growth, public infrastructure—such as sewer, water, drainage, transportation systems, schools, and childcare—was primarily developed by local governments, serving both to support new development and to guide where and what kinds of growth occurred. In recent decades, while local governments still contribute, a significant share of infrastructure development has shifted to private developers. This shift not only raises the cost of projects—costs that are ultimately passed on to renters or buyers—but also transfers more control over the location and nature of development to the private sector. At the same time, new regulatory requirements aligned with community planning goals—such as water prospecting, bike paths, climate adaptation, and fire safety—have been introduced. These measures are widely viewed as essential to achieving long-term sustainability, but they also add to project complexity and increase the cost per unit.

Policymakers noted that these costs, especially those outside "planned communities" and within developer-led projects, are generally passed to the new owners and renters. If the county were responsible for all infrastructure development, this passes the burden of such housing development to all taxpayers to fund the new development, rather than only to those that will live in the homes and communities being developed. In many cases, the county or DHHL is still bearing the brunt of infrastructure expenses, including sewer, water, and ongoing maintenance of roads after they are built.

Various efforts over time have sought to address this barrier through innovative options. In 2006, a Joint Legislative Housing and Homeless Task Force encouraged creative, innovative, and cost-effective methods, such as tax increment financing or the establishment of improvement districts to finance the construction of offsite infrastructure, as well as the appropriation of capital improvement program (CIP) funds.[41] Similar provisions have been incorporated in the most recent update of the *2017 Hawai'i State Functional Housing Plan*[42]. As mentioned, the 2018 Affordable Rental Housing Report and 10 Year-Plan included recommendations for public lands suitable for affordable housing development as well as strategies to address infrastructure and other long-standing barriers.

3) Construction Costs

While Hawai'i's construction costs are often cited as among the highest in the nation, they represent only one part of the broader housing challenge. Gyourko and Saiz (2006) argue that high housing prices in Hawai'i are driven less by construction costs and more by factors such as local wage levels, limited developable land due to topography, and a complex regulatory environment—all of which uniquely shape the state's housing landscape.

Construction costs can affect individual projects when combined with Hawai'i's highly volatile housing market. Construction costs can rise sharply in boom periods and make tight-margin

[41] Joint Legislative Housing and Homeless Task Force, prepared by staff of the Senate Majority Office, with contributions from the House Majority Staff Office, *Report of the Joint Legislative Housing and Homeless Task Force Pursuant to Act 196, Session Laws of Hawai'i 2005*, January 2006.
[42] HHFDC. 2017. The Hawai'i State Plan: Housing, State of Hawai'i, February 21, 2017, p. 19.

projects like workforce housing units challenging to complete.[43] Interviews with developers noted that the price of construction materials increased significantly during the COVID-19 pandemic, and supply chain issues significantly delayed the delivery of materials. Both of these added significantly to construction costs and were still impacting prices in 2023.

This can also mean that luxury and median-income housing projects can come at the expense of affordable housing projects. When labor, construction materials, and other inputs are in limited supply, the development of non-affordable projects often takes precedence—leaving affordable projects delayed until the next market downturn. This creates a troubling paradox: affordable housing is often only built during economic downturns—precisely when the people who need it most are struggling the most themselves, and functionally puts a priority on luxury developments, despite affordable developments being in greatest demand.

In addition, the cost of construction has been impacted by the high cost of litigation and insurance. The Affordable Housing Advisory Committee notes that everyone involved, from accountants to mason contractors, have insurance costs that affects the price of goods and services. These insurance costs include property, general liability, professional liability, excess liability, unemployment, health, auto, workers comp, business interruption, and even terrorism, among others."[44]

Key Insight:
The development of luxury and median-income housing projects can significantly hinder affordable housing initiatives, as limited labor, construction materials, and other resources are diverted away from affordable projects, often forcing them to wait until the next market downturn.

4) Government Regulations

One purpose of housing planning and regulation is the development of cities and towns, protecting people against arbitrary development practices, and, more recently, to protect the character of neighborhoods as they currently exist. Evidence suggests that these are still the objectives of many planners and regulators. However, some have come to see housing regulations as a barrier to production, a cause of housing supply inelasticity, and a pathway to higher housing costs.

Hawai'i's housing markets are more regulated than most others in the nation. For example, Honolulu's score on the Wharton Residential Land Use Regulatory Index (Wharton Index[45]) is the highest in the country (See **Appendix Exhibit C-1**). In 2022, the University of Hawai'i Economic Research Organization (UHERO) collaborated with the Wharton team to include

[43] Massive 'Aiea workforce housing condo project on hold. (2016), Hawai'i News Now, June 2016. Download at http://www.k5thehomteam.com/story/32389776/massive-aiea-workforce-housing-condo-project-on-hold.
[44] Mayor's Housing Advisory Committee, CCH, Final Report & Recommendations, April 2006.
[45] Gyourko, Saiz, and Summers, 2007. Index scores were not calculated for other counties in Hawai'i.

Hawai‘i in their update of the Wharton Index. Once again, the UHERO study confirms that housing regulations in Hawai‘i contribute significantly to the cost of housing.[46]

Some respondents noted perceived deficiencies and system-wide weaknesses in the way land use is managed. In 2014, the State Office of Planning (OP), initiated a review of the State Land Use District Boundary Amendment process. OP's findings were summed up in the State Land Use System Review Draft Report, which explored ways to increase the effectiveness of the land use system without compromising the original intent of the Land Use Law."[47] The process involved a wide-ranging debate and ended with an agreement to consider the issue further.

Some stakeholders pointed to the review process rather than the regulations themselves as a challenge. Reviews are required at several steps along the way to project approval, and while some projects are delayed or terminated due to not meeting the requirements, many are faced with significant delays or uncertainty that makes the project unable to move forward. As an illustrative example, in 2018, it took eight pages to describe the process for using Hawai‘i Revised Statutes (HRS) 201H-38 for workforce housing projects in Maui County.[48]

Some stakeholders have called reviews duplicative, while others expressed that they felt they were carried out with less attention and diligence than expected. Additional uncertainty is experienced through the 201H process, as it is subject to County Council approval. This was explained by affordable housing developers as another layer of time and uncertainty, especially when a project can go through the entire set of review processes, pass all requirements, and then be disapproved by the County Council. Respondents repeatedly emphasized that each added delay or period of uncertainty can increase costs—ultimately making the resulting housing units more expensive.

b. Impediments to Development

The executive interview component of HHPS 2023 included interviews with stakeholders to gather perspectives on the challenges faced by those involved in developing new housing. Many of the challenges raised in these interviews have appeared in previous HHPS reports dating back to 2003, and similar concerns were documented in housing policy literature and conference proceedings as early as the 1990s. The following list of impediments are not offered as recommendations for action, but as a summary of what Hawai‘i's system of housing regulations looks like from the point of view of the housing advocates, planners, and developers that participated in the 2023 study.

[46] Bonham, Carl. 2022. Measuring the burden of housing regulation in Hawai‘i, A presentation before the Hawai‘i Economic Association, September 9, 2022.
[47] Office of Planning, State land use system review, http://planning.hawaii.gov/state-land-use-system-review, paragraph 1.
[48] See the process schematic in Appendix, Figure C-1.

Interviewees expressed the following concerns:

- **Availability of land.** As noted above, limited land availability influences both the feasibility and cost of development, with especially significant impacts in low-density communities. Where public or private lands can be made available, especially at medium and higher density levels, this impediment can be mitigated. One area of public lands that could potentially be used for housing is the lands owned by the Office of Hawaiian Affairs at Kakaʻako-Makai. Ongoing public and policy disagreements around whether the lands should be used for housing have thus far prevented their development.

- **Supply chain issues.** While these challenges were exacerbated by the COVID-19 pandemic, they existed long-before and have continued since, making it difficult to obtain the materials needed to build additional housing. This has led to project delays and increased costs, while also having the effect of prioritizing luxury and market rate housing over affordable development projects, where the former tends to have more financing available for delays or budget available for paying higher costs on goods.

- **Processing time.** The time required to go through the entitlements processes, both for county permits and for State land approvals, is highlighted frequently as an ongoing problem. It can take decades to complete a major project. Stakeholders cited examples such as Coral Flats, which took more than 20 years to complete, and a recent D.R. Horton development in Kailua, which took a decade. Developers cited long waits for permit approvals as the primary reason for delays.

- **Lack of Coordination.** Stakeholders observed that there appears to be minimal coordination among the various state agencies responsible for project approvals. That can lead to confusion, working at cross-purposes, and a lack of strategic vision required to develop more housing. Several informants thought a housing czar, or similar coordinator role, could help by leading all of the relevant State agencies and liaising with the counties. This role could also assist all agencies in determining their potential role in addressing housing - for example, education agencies can support through faculty housing programs and departments with more land suitable for housing can potentially partner with the housing agencies.

- **Developer-Led Projects.** While the model of Hawaiʻi land development is largely centered around private land ownership and developers proposing projects, with government and community weighing in, these projects tend to invite challenges where the projects may or may not meet identified community-needs, as evidenced by frequent requests for waivers from regional plans, development requirements, or zoning purposes. In contrast, community- and publicly driven projects, including master plans, aim to better align development with local priorities and reduce the disconnect between planning goals and implementation.

- **Streamlining.** The process developers must go through should be reviewed to ensure efficiency and updated accordingly. Many respondents expressed that there are poorly defined applications, awards, and outcomes, and inadequately trained staff to manage it all. Additionally, there is value in ensuring that the boards of state agencies include members with relevant expertise and clear understanding of how their recommendations influence development outcomes and policy implementation.

- **Requested amendments to district boundaries.** Developers shared that altering a property's land use by requesting a district boundary amendment through the State Land Use Commission (LUC) is a timely and expensive process involving contested cases before the LUC. Some frustrations were expressed about the barriers of changing agricultural district lands that have not been farmed for years or are not suited to farming. Instead, developers often prefer not to spend the time and money required to pursue projects outside areas already designated for residential use, opting instead for locations that align with existing zoning and planning frameworks.

- **Funding limitations**. Many of the affordable housing funds, such as the Rental Housing Revolving Fund, experience more demand than the supply available, suggesting that additional funding might increase the production of units to address unmet demand. HPHA, DHHL, and a number of county agencies regularly request more funding than is allocated for new unit production. In the case of DHHL, beneficiaries successfully sued the State of Hawai'i in a series of cases to require the Hawai'i State Legislature to fund agency operations. Previously, those operations were paid for using DHHL's trust funds—resources that could otherwise have been directed toward housing and infrastructure development. In 2022, the State allocated $600 million to DHHL for housing development, only the second time in the program's century-long history, to receive funding at that level.

c. Government Efforts to Reduce Regulation

By 2017, the severity of the housing crisis was widely acknowledged across the United States—regardless of how the problem was defined. In Hawai'i, however, the strain was felt much earlier. As the issue gained national attention, it also rose in prominence at the federal, state, and local levels, prompting a range of government responses.

Early efforts focused on expanding housing supply, primarily through funding initiatives. By 2019, however, policy priorities began to shift. Nearly all housing market observers recognized local regulation as a major impediment to housing production, and efforts to reduce regulation accelerated. The federal government (HUD), the state government (HHFDC), and the county governments all adopted programs to bypass regulations and smooth the way for what was generally called "workforce housing." At the local level, inclusionary zoning continued to serve as a central policy mechanism. While some view it as a constraint on housing production (UHERO, 2010), others see it as a crucial strategy for ensuring that new development

addresses locally identified housing needs. Ultimately, regulations were reduced, and funding for housing continued to increase.

As a result, both production and demand-adjusted supply of housing increased. Unfortunately, the pandemic generated increased demand and slowed production, causing rapidly increasing housing prices and rents. Housing stock rose 6.4%, and occupied housing units rose 8% between 2017 and 2022. Homeownership rose by 5.7 points over the same period. In response, the median price for single-family homes rose 36.7% (2019 through 2022), and rents went up 18.5% for single-family homes and 11.5% for condominiums. These trends unfolded alongside a growing number of housing units converted for visitor use, increased sales to residents, and a rise in vacant homes. By 2023, the severity of the housing crisis had become a top level concern at the local, state, and federal level.

Key Insight:
From 2019 to 2022, the median price for single-family homes skyrocketed by an astonishing 36.7%, while rents surged 18.5% for single-family homes and 11.5% for condominiums.

A full recounting of all the changes made by governments between 2017 and 2023 is outside this project's scope. However, it is worth considering how state and local policies shape - and potentially hinder - national efforts to reduce regulatory barriers to housing production.

Scholars and affordable housing advocates have noted the difficulty in reducing over-regulation at the municipal or county level, with some suggesting that States should take action to override local housing regulations. This idea stems from early research findings that regulation of housing production lies primarily with local governments. According to Fischels' homevoter hypothesis,[49] local governments are disinclined to pursue regulatory changes that could increase housing supply and access. Because most voters are homeowners, they tend to elect representatives who prioritize protecting property values and neighborhood stability. In turn, these representatives are incentivized to support regulations and laws that align with homeowner interests in order to maintain political support. Some have suggested that State Legislatures should intercede by enacting laws that overrule municipal government's often restrictive housing regulations.[50]

Others note that many housing project proposals do not match identified need. Because the construction of any new housing unit draws on limited labor, materials, infrastructure, and government capacity, some stakeholders question why waivers should be granted for

[49] Fischel, William A. The homevoter hypothesis, Cambridge, Massachusetts: Harvard University Press, year. Also see Hertz, Daniel. 2015. Homevoter v. the growth machine, *City Commentary*, December 15, 2015, for a short discourse on the topic. Fang, Limin, Nathan Stewart, and Justin Tyndall. 2022. Homeowner and housing supply. Available at SSRN: hhtps://ssrn.com/abstract=418989 provides an empirical example in the housing arena.
[50] Schwartz, Jenny. 2023. How can state governments influence local zoning to support healthier housing markets? *Cityscape,* Vol. 25, No. 3, 2023, pp.73-98, gives an overview from the zoning point of view. Williams, Stockton, Lisa Sturdevant, and Rosemarie Harper. 2017. Yes, in my backyard, Urban Land Institute, Terwilliger Center for Housing, Washington D.C., 2017, says states should assist the municipal government in changing regulations and working together to develop affordable housing.

developments that may, for example, destroy agricultural land or impact shoreline resources—especially if those projects do not contribute meaningfully to addressing the housing crisis by producing the types of units that are actually needed. Some even argue that developing projects outside of the identified affordable needs actually exacerbates the crisis further by driving up prices and taking up resource capacity.

Governor Proclamations

In 2015, Governor Ige declared homelessness a statewide emergency and issued a series of seven emergency proclamations in an effort to accelerate the state's response. Aimed at streamlining approval and development processes, the proclamations supported the creation of at least 13 housing projects for people experiencing homelessness and encouraged additional developments by waiving impact fees and expediting certain approvals.[51] These projects helped to spur the building of housing supply for those households with 60%, 50%, and even 30% AMI.

In 2023, Governor Green signed an Emergency Proclamation Relating to Housing.[52] The proclamation was based on a similar strategy: remove barriers to construction, increase housing supply, and bring prices down. The proclamation temporarily suspended several State and county laws, rules, and regulations to enable quick approval of housing proposals.

From 2023-2024, Governor Green's Emergency Proclamation underwent several revisions as various stakeholders raised concerns and legal challenges were mounted. Key changes included:

- The creation of a working group - Building Beyond Barriers (BBB) - to oversee implementation
- Clarification of rules around historical preservation, environmental impact statements, and public hearings
- Restoration of certain county oversight provisions

After facing initial legal challenges, the Emergency Proclamation was ultimately upheld by the Supreme Court in June 2024. The Fifth Emergency Proclamation then established several significant provisions:

- Waived various state and county fees
- Required developers to include more affordable units to qualify for certifications
- Increased required affordable housing from 50% to 60% of total production for units below 140% AMI
- Transferred oversight from BBB Working Group to HHFDC

[51] 2015-2016 Emergency Proclamation & Supplemental Proclamations, *available at*: https://homelessness.hawaii.gov/emergency-proclamations-and-supplementary-proclamations/emergency-proclamation-2015/.

[52] Office of the Governor, State of Hawai'i. Proclamation Relating to Housing, State Capital, July 17, 2023.

While some opposition remains, the Emergency Proclamation's framework is now being actively implemented, with other states watching Hawai'i's approach to overriding local housing regulations through state-level action.

Key Insights: Housing Supply in Hawai'i

- **Total Housing Units (2022):** 568,058 units statewide, with 65.8% in Honolulu, 16.0% in Hawai'i County, 12.8% in Maui, and 5.4% in Kaua'i.
- **Available Housing Stock:** 516,242 units (91.0% of total), with 494,827 occupied (87.1%) and 21,415 vacant and available (3.8%), indicating a tight market with limited "swap space."
- **Unavailable Units:** 51,816 units (9.1%) are off the resident market, including 35,884 seasonal units (6.3% of total), up 5.1% since 2017, reducing homes for year-round residents.
- **Growth Trends (2017-2022):** Total units grew 4.6% (+25,103), with single-family units up 6.8% and multi-family up 1.1%. Available stock rose 6.4%, but vacant available units dropped 20.6%, especially rentals (-36.5%).
- **County Variations:** Honolulu's unavailable units are low (6.9%), while Kaua'i (22.3%), Hawai'i (15.1%), and Maui (12.2%) see higher rates, often due to seasonal use.
- **Native Hawaiian Demand:** DHHL applicants and eligible households prefer Hawai'i Island (58.4% and 87.5%) and single-family homes (75.7% and 78.2%), but supply lags, suggesting potential to convert seasonal units.
- **Opportunity:** Converting 55% of the 35,884 seasonal units into resident housing could address ownership demand, especially for Native Hawaiians, faster and cheaper than new construction.

B. HOUSING DEMAND IN HAWAI'I

Housing demand in Hawai'i has undergone significant shifts in recent years, marked by complex demographic changes and evolving market dynamics. While historically characterized by steady population growth and strong housing demand, Hawai'i has experienced its first sustained period of population decline since 2019, with annual decreases ranging from 0.2% to 0.5% through 2023. Despite this population decrease, housing demand remains high - driven by factors including pent-up demand from residents, changing household compositions, and ongoing pressure from out-of-state buyers (who purchased nearly a quarter of all residential properties in 2022). The housing demand landscape is further complicated by significant geographic variations across counties, with different patterns of population change, household formation, and buyer preferences shaping local market conditions.

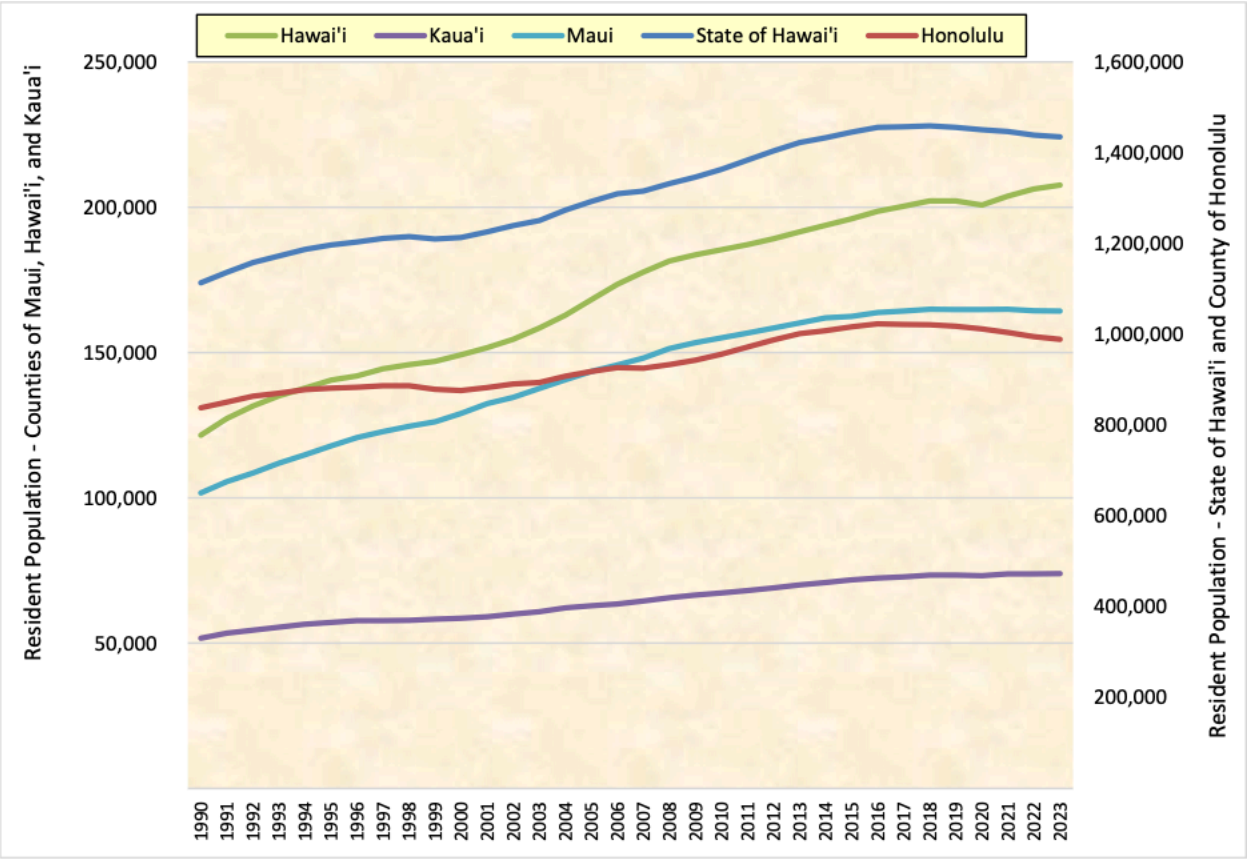
This section examines these various components of housing demand, including population trends, household formation patterns, building permit activity, and the impact of external demand, to provide a comprehensive understanding of Hawai‘i’s current and projected housing needs.

1. Historic Demand

a. Population and Growth Rates

Population growth is the principal driver of housing demand. In light of Hawai‘i’s recent population losses in the past few years, this is perhaps the most important trend influencing current housing needs. To visualize these losses and their county-level variations, **Figure 17** illustrates the total population trends for the State of Hawai‘i and its counties from 1990 to 2023, highlighting the sustained decline since 2019 that shapes current housing challenges.

FIGURE 17: TOTAL POPULATION, STATE AND COUNTIES OF HAWAI‘I, 1990-2023



Source: DBEDT Data Book Time Series, 1990-2023.

As shown in **Figure 17**, Hawai‘i’s population grew steadily from 1990 until 2018, but began to decline in 2019. Since then, the state has experienced annual population decreases ranging from 0.2% to 0.5% through 2023. Overall, this decline has been primarily driven by losses in the City and County of Honolulu (CCH), although all counties have experienced some level of

decline in growth rates. **Table 11** provides a detailed breakdown of the state's annual population changes from 2019 to 2023, quantifying the consistent declines (0.2% to 0.5% annually).

TABLE 11: STATE POPULATION CHANGES, 2019-2023

Year	Total Population	Annual change	Percent Change
2019	1,456,371	-3,171	-0.2%
2020	1,451,181	-5,190	-0.4%
2021	1,446,745	-4,436	-0.3%
2022	1,439,399	-7,346	-0.5%
2023	1,435,138	-4,261	-0.3%

Source: DBEDT Data Book Time Series.

The State's total population decline between 2019 and 2023 shows distinct patterns at the county level. During this period, CCH experienced the largest decrease, with a loss of 28,867 residents (-2.8%), and Maui County experienced a slight decrease of 580 residents (-0.4%). In contrast, Hawai'i County's population grew by 5,450 residents (+2.7%), while Kaua'i County saw modest growth of 442 residents (+0.6%).

TABLE 12: COUNTY POPULATION CHANGE, 2019-2023

County	2019 Population	2023 Population	Total Change	Percent Change
Honolulu	1,018,275	989,408	-28,867	-2.8%
Hawai'i	202,165	207,615	5,450	2.7%
Kaua'i	72,293	73,851	1,558	2.1%
Maui	164,844	164,264	-580	-0.4%

Source: DBEDT Data Book Time Series.

These county-level population changes highlight the regional variation in housing demand across Hawai'i. The significant decline in CCH, coupled with growth in Hawai'i County and modest changes in Kaua'i and Maui, creates varied pressures on local housing markets, necessitating targeted strategies to address both declining and growing populations.

b. Components of Resident Population Growth

Understanding population dynamics is crucial to analyzing housing demand in Hawai'i, as these patterns influence both current and future housing needs. Building on the county-level population declines identified in **Tables 11 and 12**, this section examines the underlying components driving these changes across Hawai'i.

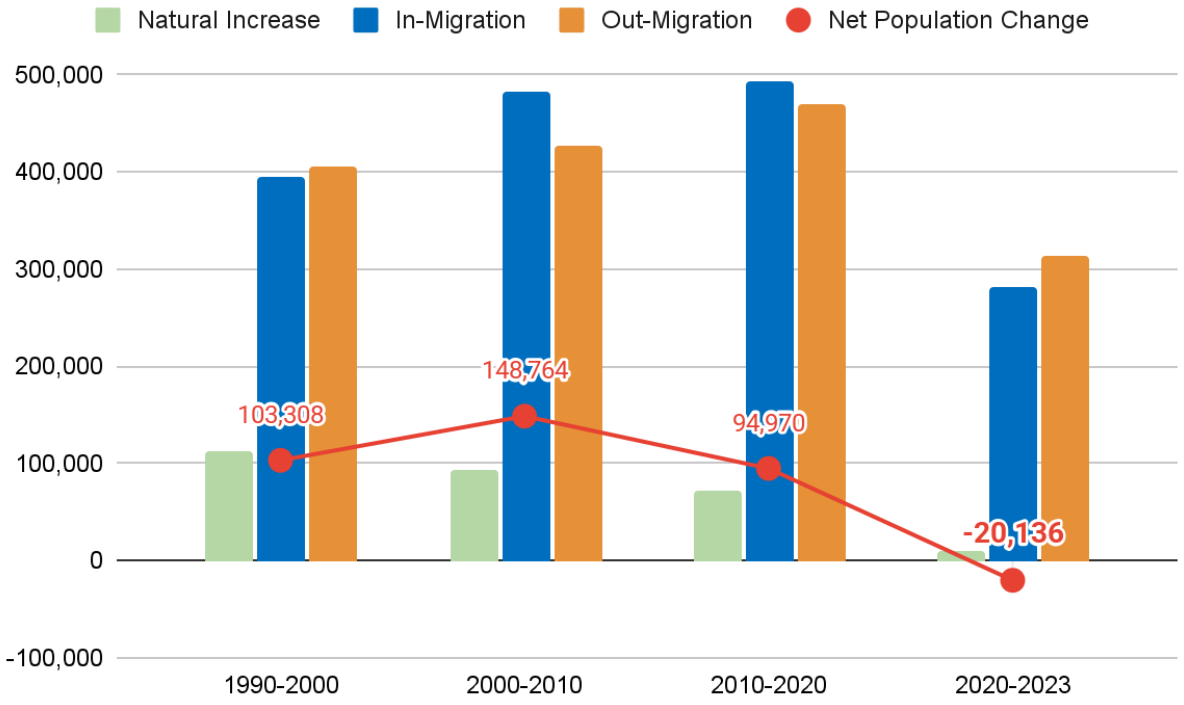
Historical Population Trends (1990-2020)

Figure 18 illustrates Hawai'i's population trends over the past three decades, breaking down the roles of natural increase, in-migration, and out-migration in net population change.

Key Insight: The state's population changes are driven by three key factors:

1. **Natural increase** (births minus deaths),
2. **In-migration** (people moving to Hawai‘i) and **Out-migration** (people leaving Hawai‘i), which together determine net migration, and
3. The resulting **net population change** (natural increase plus net migration).

FIGURE 18: COMPONENTS OF POPULATION CHANGE IN HAWAI‘I, 1990-2023



Source: 2022 State Data Book, DBEDT, Table 1.54, 2020-2023, Hawai‘i State Data Center, Annual and cumulative estimates of population change; historical estimates for 1990-2010 derived from State of Hawai‘i Data Book 2010 Population Section and 2012 Hawai‘i State Data Book, with in-migration and out-migration estimates adjusted based on available data. Notes: Data for 1990-2000, 2000-2010, and 2010-2020 are cumulative estimates over each decade, while 2020-2023 reflects a three-year period.[53] In-migration and out-migration values for 1990-2010 are approximate, based on scaled averages from available Census and State Data Book records (e.g., 395,407 and 405,211 for 1990-2000; 481,990 and 426,344 for 2000-2010).[54] Net Population Change values (103,308, 148,764, 94,970, -20,136) are sourced from Table 13 and reflect the sum of Natural Increase and Net Migration.

Looking at historical trends, Hawai‘i’s population dynamics have undergone substantial changes over the past three decades. As shown in **Figure 18**, a strong natural increase of 113,112

[53] The 2020-2023 period represents a shorter timeframe (3 years) compared to the decade-long periods (1990-2000, 2000-2010, 2010-2020), which may affect visual comparisons in Figure 17. Annual averages for 2020-2023 are approximately 3,032 for Natural Increase, 94,695 for In-Migration, and 104,350 for Out-Migration.
[54] In-migration and out-migration estimates for 1990-2010 are derived from scaled averages due to limited direct data in the State Data Book. For 1990-2000, estimates are based on 1997-1999 in-migration rates (approximately 35,000 per year); for 2000-2010, Table 1.61 (2012 Data Book) provides intended residents arriving, adjusted for consistency.

residents through births exceeding deaths during the 1990s was partially offset by net migration of -9,804 individuals, resulting in a net population growth of 103,308. This pattern shifted notably in the 2000s, when robust in-migration (481,990) combined with a natural increase of 93,118, resulting in substantial growth of 148,764 residents. This trend continued through the 2010s, with natural increase and net migration adding 94,970 more residents. These patterns show that population growth in Hawai‘i has historically been driven by natural increase and net migration, setting the stage for the recent decline fueled by out-migration and a slowdown in natural increase.

Recent Decline and Out-Migration (2020-2023)

Recent data from 2020-2023 reveals unprecedented demographic changes (**Table 13**). Natural increase has slowed dramatically to 9,095—a fraction of historical levels—while net migration turned sharply negative at -28,964, with approximately 313,049 people leaving and only 284,085 arriving.[55] This resulted in a net population loss of 20,136, marking the first sustained period of decline in recent history. This shift emphasizes the growing influence of out-migration, particularly domestic out-migration, in driving population changes.

County-Level Variations

While state-level trends indicate a recent decline, county-level migration patterns (**Table 14**) reveal distinct variations. CCH has consistently seen around 54,000 new residents arrive annually from 2017 to 2023, while approximately 64,000 depart, resulting in sustained net losses averaging 10,000 residents per year. In contrast, Hawai‘i County has experienced steady net gains averaging about 2,000 residents annually, with roughly 7,500 people moving in and 5,500 moving out each year. Maui County showed relatively balanced migration until 2022, when out-migration began to exceed in-migration, while Kaua‘i County has experienced minimal net changes with a slight net loss in recent years.

Despite population declines since 2019, housing demand remains robust, driven by external buyer pressure for vacation homes and changing household needs, such as aging populations requiring smaller units. This dynamic is evident in CCH, where out-migration of working-age residents contrasts with demand from retirees and investors, sustaining high prices. The *2022-2023 Housing Demand Survey* reveals nearly 40,000 households plan to leave within five years, with 60.8% citing housing costs as a primary factor, highlighting the need for more affordable housing to retain residents.

Together, these migration patterns and survey findings point to a housing market shaped less by overall population growth and more by *who* is leaving, *who* is driving demand, and *where* that is happening. As working-age residents continue to leave—often due to high housing costs—retirees, investors, and shifting household needs continue to sustain demand and prices. Understanding these demographic drivers is critical for shaping effective housing policy. The next section explores how household composition and size further influence the nature of that demand.

[55] In-migration and out-migration figures for 2020-2023 are adjusted to align with Table 14’s Net Migration (-28,964), differing from Table 15’s raw totals (281,366 in, 313,049 out) due to methodological differences in source data, such as adjustments for military movements or data reconciliation by the Hawai‘i State Data Center.

TABLE 13. COMPONENTS OF RESIDENT POPULATION CHANGE, HAWAIʻI, 1990-2023

	1990-2000	2000-2010	2010-2020	2020-2023
Hawaiʻi County				
Natural Increase	10,477	9,914	6,832	116
Net Migration	17,883	26,488	8,718	6,980
Total In-Migration				31,295
Total Out-Migration				-24,315
Net Population Change	**28,360**	**36,402**	**15,550**	**7,096**
Honolulu County				
Natural Increase	86,733	68,958	56,947	7,389
Net Migration	-46,608	8,093	-50,593	-27,099
Total In-Migration				212,511
Total Out-Migration				-239,610
Net Population Change	**40,125**	**77,051**	**6,354**	**-19,710**
Kauaʻi County				
Natural Increase	4,601	3,517	2,845	533
Net Migration	2,685	1,594	3,362	555
Total In-Migration				11,464
Total Out-Migration				10,909
Net Population Change	**7,286**	**5,111**	**6,207**	**1,088**
Maui County				
Natural Increase	11,301	10,729	6,127	1,057
Net Migration	16,436	19,471	7,585	-1,685
Total In-Migration				26,096
Total Out-Migration				-27,781
Net Population Change	**27,737**	**30,200**	**13,712**	**-628**
Statewide				
Natural Increase	113,112	93,118	72,796	**9,095**
Net Migration	-9,804	55,646	22,174	**-28,964**
Total In-Migration	395,407	481,990	493,090	**284,085**
Total Out-Migration	-405,211	-426,344	-470,916	**-313,049**
Net Population Change	**103,308**	**148,764**	**94,970**	**-20,136**

Source: 2022 State Data Book, DBEDT, Table 1.54, 2020-2023, Hawaiʻi State Data Center, Annual and cumulative estimates of population change, at https://census.Hawaii.gov/home/population-estimate.

TABLE 14: ANNUAL MIGRATION PATTERNS BY COUNTY, 2017-2023

	2017	2018	2019	2020	2021	2022	2023
Honolulu County							
In-Migration*	54,453	52,345	52,196	49,964	53,804	54,545	54,198
Out-Migration**	-65,463	-62,665	-63,308	-60,364	-64,677	-65,959	-61,593
Net Migration	-11,010	-10,320	-11,112	-10,400	-10,873	-11,414	-7,395
Hawai'i County							
In-Migration	6,871	7,313	7,380	7,450	8,219	7,682	7,944
Out-Migration	-5,601	-5,874	-7,601	-4,432	-5,246	-5,183	-6,577
Net Migration	1,270	1,439	-221	3,018	2,973	2,499	1,367
Maui County							
In-Migration	5,743	6,115	6,307	6,666	6,583	6,426	6,421
Out-Migration	- 5,657	-5,863	-6,475	-6,252	-6,174	-7,094	-6,887
Net Migration	86	252	-168	414	409	-668	-466
Kaua'i County							
In-Migration	2,133	2,355	2,584	3,238	2,930	2,720	2,576
Out-Migration	- 2,081	-2,117	-2,768	-2,873	-2,560	-2,884	-2,648
Net Migration	52	238	-184	365	370	-164	-72
State							
In-Migration	69,201	68,129	68,466	67,318	71,536	71,373	71,139
Out-Migration	-78,803	-76,520	-80,151	-74,749	-79,475	-81,120	-77,705
Net Migration	-9,602	-8,391	-11,685	-7,431	-7,939	-9,747	-6,566

Source: Migration data for 2021-2023 from Table 4: https://files.hawaii.gov/dbedt/census/.[56]

Out-Migration and Housing in Hawai'i

The *2022-2023 Housing Demand Survey* provides additional insights into this out-migration trend, revealing that nearly 40,000 households plan to leave Hawai'i within the next five years. While it will be some time before it is known whether these households decided to move, understanding these residents' plans is important. More than three-quarters of these households (75.9%) currently reside in CCH, followed by Hawai'i County (13.9%) and Maui

[56] Migration data from 2017 to 2019 from BeautifyData (Source data is from ACS): https://beautifydata.com/united-states-population/migration/net-migration-by-county/hawaii/2017.
Notes: *In-migration was calculated by taking the percentage of the population that moved from another state or from abroad in the past year and multiplying it against the total population of the county. Note that this does not include those who moved from within the same state to a different county. Out-migration was calculated by taking the difference between net migration and in-migration.
Source: https://data.census.gov/table/ACSST5Y2023.S0701?q=International%20and%20Domestic%20Migration&g=040XX00US15_050XX00US15001,15003,15007,15009

County (7.8%). This planned out-migration represents approximately 8% of all households statewide.

TABLE 15: HOUSEHOLD PLANNING TO LEAVE HAWAIʻI WITHIN THE NEXT FIVE YEARS, BY COUNTY, 2023

	Total Households		Will Move in Next 5 Years		Movers Planning to Leave Hawaiʻi in Next 5 Years	
	Count	Pct	Count	Pct	Count	Pct
Honolulu County	338,438	68.4%	131,070	74.1%	30,066	75.9%
Maui County	57,388	11.6%	16,820	9.5%	3,082	7.8%
Hawaiʻi County	74,764	15.1%	23,312	13.2%	5,499	13.9%
Kauaʻi County	22,980	4.6%	5,737	3.2%	989	2.5%
State of Hawaiʻi	***494,827***	***100.0%***	***176,938***	***100.0%***	***39,636***	***100.0%***

Source: *2022-2023 Housing Demand Survey*.

When examining the characteristics of households planning to leave, the majority (55%) are currently renting, while 41% own their current home. Among homeowners planning to leave, most (72.7%) own single-family residences. When asked why they plan to leave, 60.8% of respondents—representing 24,115 households—identified the high cost of housing as either their primary reason or one of the main factors. This was the most commonly cited concern, followed by employment opportunities and family-related reasons.

TABLE 16: REASONS FOR LEAVING HAWAIʻI WITHIN THE NEXT FIVE YEARS, 2023

Reasons for Moving out of Hawaiʻi in the Next Five Years	Count	Percent
Cost of Housing Alone	713	1.8%
Cost of Housing with Other Factors	23,402	59.0%
Too expensive / Cost of Living Alone	2,886	7.3%
Employment Opportunities Alone	2,040	5.1%
Family Reasons Alone	3,238	8.2%
Experience Life Elsewhere Alone	235	0.6%
Educational Opportunities Alone	112	0.3%
Other Reasons Alone	2,401	6.1%
Multiple Reasons, Not Housing Related	4,608	11.6%
Total	***39,636***	***100.0%***

Source: *2022-2023 Housing Demand Survey*.

Notably, this out-migration trend is particularly pronounced among Native Hawaiian households. The 2020 U.S. Census indicated for the first time that more Native Hawaiians now live outside of Hawaiʻi (53%) than within the islands (47%). This demographic shift is thought to be due, in

part, to the high cost and lack of affordable housing that disproportionately impacts Native Hawaiians, who are also over-represented among the homeless population.

The implications of these population shifts for housing are particularly noteworthy when considering the drivers of out-migration. The *2022-2023 Housing Demand Survey* reveals that approximately 60.8% of departing households cite housing costs and availability as primary factors in their decision to leave Hawai‘i. This suggests that addressing housing supply and affordability challenges could help retain a significant portion of residents who would prefer to remain in the state.

The impact of these demographic changes has been most pronounced in CCH, which lost 27,099 residents to net out-migration between 2020 and 2023 alone. This accelerating population loss in the most populous county has significant implications for housing demand and development patterns. The trend is particularly concerning as it represents an acceleration from historical patterns - while CCH lost almost 47,000 people to net out-migration in the 1990s, the recent three-year loss represents a more concentrated period of decline.

These population trends inform our understanding of both current housing market conditions and future housing needs. The relationship between housing availability and migration decisions suggests that addressing housing supply and affordability issues could not only serve current residents better but help stabilize population patterns by retaining residents who otherwise feel compelled to leave.

c. Households and Household Size

The relationship between population, households, and housing demand is complex and interconnected. While population growth influences housing needs, the HHPS model uses households rather than total population to calculate demand, since households are the actual units requiring housing. This approach better captures actual housing unit needs, as a single housing unit may contain multiple individuals but serves one household.

Between 2010 and 2022, Hawai‘i’s total number of households increased from 455,338 to 494,827—an 8.7% rise, as shown in **Table 17** (Number of Households, 1990–2022). While the resident population grew by just 5.5% over the same period (**Figure 19**), most of that growth occurred before 2019; since then, the population growth has slowed with periods of decline. The continued increase in household formation despite this decline suggests a decoupling of population and household growth, likely driven by smaller household sizes and shifting living arrangements.

TABLE 17: NUMBER OF HOUSEHOLDS, 1990-2022

	County				State
	Honolulu	Hawai'i	Maui	Kaua'i	
1990	265,304	41,461	33,145	16,295	356,205
1995	275,877	49,282	38,326	18,967	382,452
2000	286,450	52,985	43,507	20,183	403,125
2005	300,557	57,785	48,393	21,471	428,206
2010	311,047	67,096	53,886	23,240	455,338
2015	307,703	64,201	52,080	21,862	445,936
2020	336,412	73,021	56,063	24,715	490,267
2021	338,093	72,194	56,319	23,464	490,080
2022	338,438	74,764	57,355	24,237	494,827

Sources: U.S. Decennial Census Table DP1 1990, 2000, 2010, 2020; ACS 1-year estimates Table S1101 2005, 2015. 2021, 2022. Kalawao County households are not included in the present analysis.

As shown in **Table 17**, household growth in Hawai'i has outpaced population growth over the past several decades. This trend reflects a gradual decline in average household size, which has contributed to the formation of more households even as population growth has slowed. Hawai'i's population growth was relatively modest in the 1990s, while average household size (**Table 18**) began to decline slightly by the mid-2000s. Although average household size increased slightly after 2006, it never returned to pre-2000 levels. By 2017, the statewide average household size was 3.02 persons, and by 2022, Census data showed further declines in average household size across the state, including in CCH and Maui County.

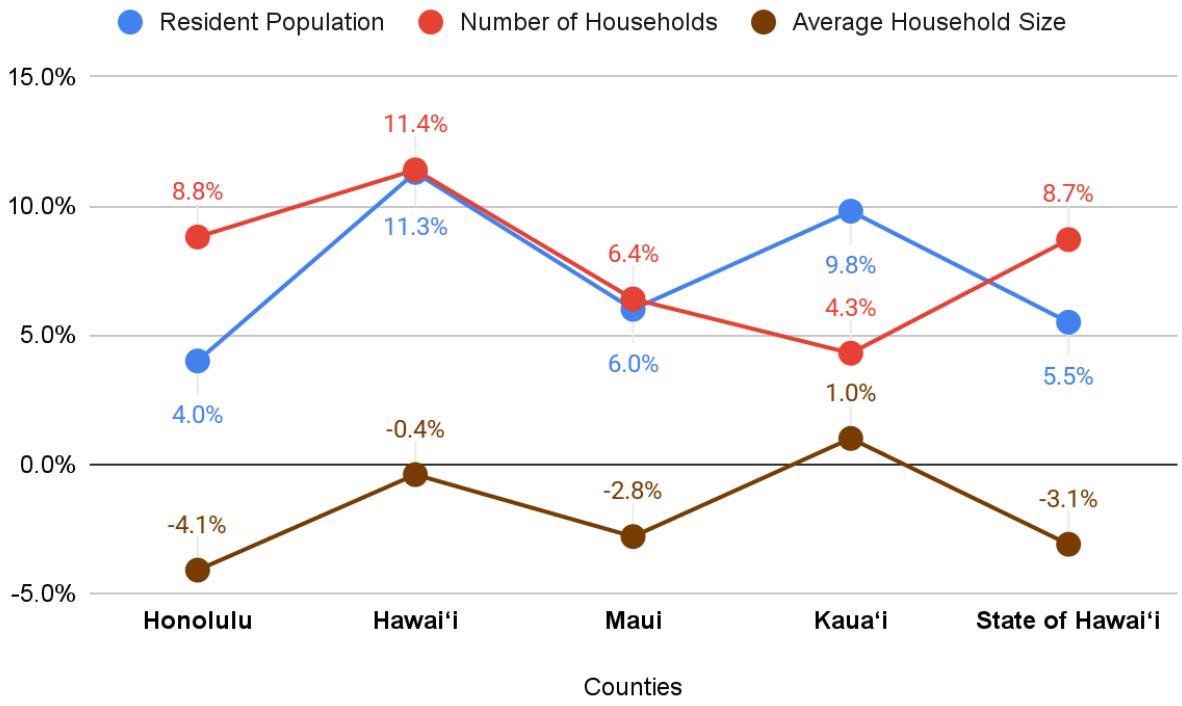
TABLE 18: AVERAGE HOUSEHOLD SIZE, 1990-2022

	County				**State**
	Honolulu	Hawai'i	Maui	Kaua'i	
1990	3.02	2.86	2.99	3.09	**3.01**
2000	2.95	2.75	2.91	2.87	**2.92**
2005	2.91	2.77	2.86	2.85	**2.88**
2010	2.96	2.73	2.89	2.98	**2.90**
2015	3.12	3.01	3.11	3.24	**3.11**
2020	2.92	2.70	2.90	2.93	**2.89**
2021	2.85	2.77	2.87	3.10	**2.86**
2022	2.84	2.72	2.81	3.01	**2.83**

Sources: U.S. Decennial Census Table DP1 1990, 2000, 2010, 2020; ACS 1-year estimates Table S1101 2005, 2015. 2021, 2022.

Even as Hawai‘i’s population growth has slowed and recently declined, the number of households has continued to increase—driven by changes in household composition, such as a rise in single-person households and a shift away from multigenerational living. This trend contributes to ongoing housing demand despite population stagnation. These patterns also vary by county: in 2022, CCH and Maui County saw both declining population and decreasing household size, while Hawai‘i and Kaua‘i counties experienced continued household growth, reflecting localized shifts in housing needs.

FIGURE 19: PERCENT CHANGE, POPULATION, HOUSEHOLDS, AND AVERAGE HOUSEHOLD SIZE, 2010-2022



Source: Calculated from Table 17 and Table 18.

The patterns of household growth and size changes vary considerably across counties, as illustrated in **Figure 19**:

- **Hawai‘i County** experienced the strongest household growth at 11.4% while maintaining relatively stable household sizes (-0.4%), suggesting minimal splitting of households.

- **City & County of Honolulu (CCH)** saw significant household growth (8.8%) coupled with the largest decline in household size (-4.1%), indicating a strong trend toward smaller, independent households forming due to housing or economic pressures.

- **Maui County** showed moderate household growth (6.4%), slightly exceeding its population growth of 6.0%, with a substantial decrease in household size (-2.8%),

reflecting similar pressures for smaller units.

- **Kauaʻi County** had the most modest household growth (4.3%), despite a robust population increase of 9.8%, but was unique in showing an increase in household size (+1.0%), possibly due to cultural preferences or limited housing options forcing larger or multi-generational households.

1) Housing Market Implications

These household formation patterns have direct implications for housing demand. The 8.7% growth in households between 2010-2022 represents approximately 39,489 new households needing housing units (calculated as 494,827 - 455,338). Meanwhile, the declining average household size by 3.1% suggests that some previously doubled-up or multi-generational households are splitting into separate units when housing becomes available—creating additional housing demand beyond what population growth alone (5.5%) would suggest. This divergence highlights significant pent-up demand, as constrained housing supply prevents full household formation.

2) Market Analysis

In a balanced housing market with no pent-up demand, we would expect population growth and household growth to roughly align, while average household sizes remain stable. However, Hawaiʻi's actual pattern from 2010-2022 show:

- Population growth of 5.5%
- Household growth of 8.7%
- Declining average household size of -3.1%

Several demographic and social factors influence this relationship, including birth rates and family size preferences, marriage and divorce rates, aging population patterns, economic conditions affecting young adults' ability to form independent households, and cultural preferences for multigenerational living. This divergence indicates two important market conditions:

1. **Significant Pent-up Demand:** The fact that household growth (8.7%) exceeded population growth (5.5%) indicates that when housing becomes available, previously doubled-up households are separating into independent units. This reflects the release of some pent-up demand.

2. **Ongoing Housing Constraints:** Despite this household formation, the persistently high housing costs and low vacancy rates suggest that substantial pent-up demand remains. In a fully responsive market, we might see even higher rates of household formation and further decreases in average household size.

These trends help explain one reason beyond external interest why housing demand remains strong even during periods of slower population growth - household formation patterns and

changing household sizes create housing demand independent of overall population changes. Understanding these dynamics is crucial for accurately projecting future housing needs and developing appropriate housing policies to address pent-up demand and housing constraints

[**Note**: The data shows population and household changes that indicate market pressure continuing to force many households to stay doubled-up or leave Hawai‘i entirely. This is explored further in Section B on Housing Demand. It’s important to note that while population decline has occurred between 2019 and 2023 (as observed in recent data), the current analysis for 2010-2022 reflects a period of growth, with a 5.5% increase in resident population, consistent with the data in **Figure 19**, and as explained above, an increase in number of households in separate units.]

d. Building Permits

The number of building permits awarded in a single year is often referenced as one indicator of the demand for new housing units. Since developers are unlikely to build new units they cannot sell, the number and nature of building permits are undoubtedly related to the demand for housing units. Similarly, the number of building permits is related to housing supply in that new units cannot be legally constructed if permits are not approved.

For both demand and supply, however, the number and nature of building permits approved each year do not effectively indicate the number of housing units needed to satisfy demand or the number of units that will be built. This disconnect occurs because permit approvals may face financing challenges, market changes, or construction delays that prevent project completion, while a single housing unit might require multiple permits for various construction phases. Additionally, permits don't capture other factors affecting housing availability such as demolitions, conversions, or units held off the market. Nonetheless, it can provide one measure for understanding the volume of units being built in response to demand.

Table 19 shows the historical trend of building permits approved by county planning departments over the last 33 years (1990-2022), while **Table 20** provides a more detailed look at recent permit activity (2017-2023). Together, these tables reveal both long-term patterns and current trends in permit issuance across counties. For example, while CCH consistently leads in permit volume, the data shows significant fluctuations over time, from a peak of 20,146 permits in 2015 to more recent levels around 14,000 permits annually. The recent data in **Table 20** captures the variations in permit activity during the post-2020 period, showing how different counties have experienced varying levels of construction activity in recent years.

TABLE 19: HISTORICAL BUILDING PERMITS ISSUED BY COUNTY (1990-2022)

	County				
	Honolulu	Hawai‘i	Maui	Kaua‘i	State
1990	17,123	4,720	3,534	2,312	27,689
1995	11,956	2,707	1,514	1,054	17,231
2000	12,443	3,254	2,294	1,083	19,074
2005	15,174	5,436	2,348	882	23,840
2010	14,254	2,756	1,016	171	18,197
2015	20,146	5,426	1,280	199	27,051
2020	15,182	3,042	1,039	161	19,424
2021	14,328	2,839	1,351	167	18,685
2022	13,824	4,813	1,100	158	19,895

Source: DBEDT Time Series Data Book Table 21.01.

TABLE 20: RECENT BUILDING PERMITS ISSUED BY COUNTY (2017-2023)

	County				
	Honolulu	Hawai‘i	Maui	Kaua‘i	State
2017	14,759	2,943	1,348	236	19,286
2018	13,835	3,514	1,232	232	18,813
2019	16,405	3,186	1,307	176	21,074
2020	15,182	3,042	1,039	161	19,424
2021	14,328	2,839	1,351	167	18,685
2022	13,824	4,813	1,100	158	19,895
2023	14,646	4,107	1,154	139	20,046

Source: DBEDT State of Hawaii Data Book 2023. Table 21.01.
https://dbedt.hawaii.gov/economic/databook/2023-individual/_21/.

Over the past three decades, building permit activity across Hawai‘i has shown significant changes. Statewide totals have ranged from peaks of approximately 27,000 permits in 1990 and 2015 to lows of around 17,000 permits in 1995. However, the past decade has demonstrated more stability, with permit totals generally hovering between 19,000-20,000 annually, except for a peak of 27,051 in 2015.

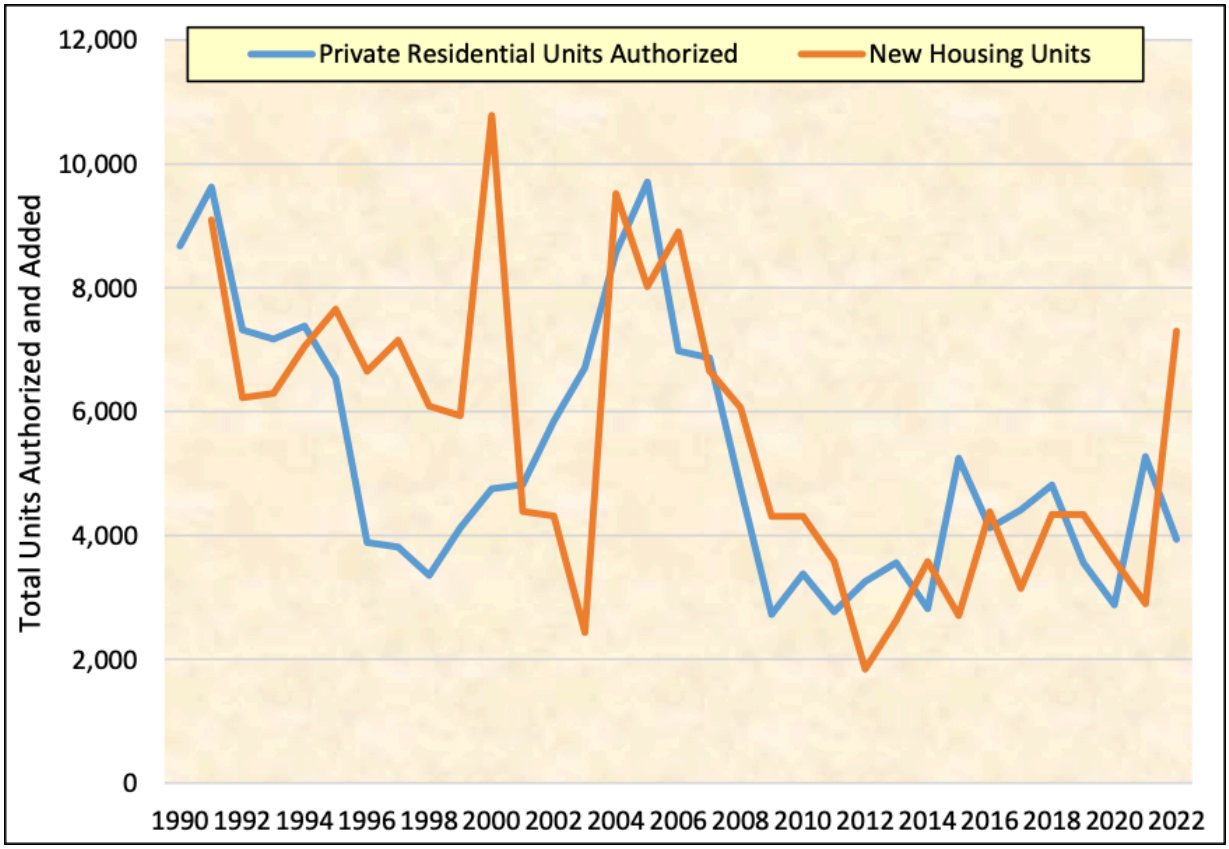
At the county level, CCH has historically dominated permit activity, though recent years show a declining trend from 16,405 permits in 2019 to 13,824 in 2022, with a slight uptick to 14,646 in 2023. Hawai‘i County has seen a steady increase with 2,943 permits issued in 2017 increasing every year, with the exception of 2021, to 4,107 in 2023.. Maui County has maintained relatively

stable but modest permit levels around 1,100-1,300 annually, while Kaua‘i County shows a gradual decline from 236 permits in 2017 to 139 in 2023.

Overall state numbers have remained relatively stable between 18,000-21,000. Hawai‘i County experienced the most significant change with a 40% increase in the number of building permits issued from 2017 to 2023. Hawai‘i County went from having 15% of all building permits in the state to 21% between 2017 and 2023.

Figure 20 presents the number of residential building permits approved for housing units in Hawai‘i between 1990 and 2022. The number of building permits issued and the number of housing units constructed tend to follow similar trends, though data on completed units is needed to confirm recent construction activity.

FIGURE 20: RESIDENTIAL BUILDING PERMITS & ADDED UNITS, STATE OF HAWAI‘I, 1990-2022



Source: Permits from Census Table 2au: New Privately Owned Housing Units Authorized. Added units from ACS housing unit data.

2. Demand for Residential Property from Outside the State

Hawai‘i’s housing market faces a unique challenge: while struggling to meet local housing needs, it simultaneously attracts significant demand from outside the islands. This external pressure on an already constrained market creates a complex dynamic that impacts housing availability and affordability for residents. As an island chain with finite developable land, Hawai‘i’s housing market is particularly sensitive to this additional layer of demand.

Recent data shows that nearly one-quarter of all residential sales in Hawai‘i are to out-of-state buyers[57], who typically pay over 60% more than local residents for housing[58]. In 2022, these out-of-state purchases represented $6.12 billion in total sales volume, with continental U.S. buyers accounting for $5.46 billion and international buyers contributing $660 million[59]. This significant external demand is driven by both lifestyle preferences and investment considerations. Real estate in Hawai‘i represents an attractive investment opportunity, with property values in urban Honolulu appreciating an average of 4.56% annually since 2000[60]-placing the city among the top markets in the nation for long-term value growth. The potential for both appreciation and rental income—particularly through visitor accommodations—makes Hawai‘i properties especially appealing to external investors[61].

The fragility of Hawai‘i’s housing market was further exposed by the devastating Maui fires of August 2023, which destroyed approximately 2,200 housing units[62]—representing about 3% of Maui County’s total housing stock[63]. The sudden loss of these units, combined with pre-existing market pressures, has created unprecedented challenges for housing availability and affordability on Maui. While temporary solutions through hotels, short-term rentals, and emergency housing have provided immediate relief, the disaster emphasizes the critical importance of understanding and managing external housing demand while ensuring adequate housing supply for local residents. Additionally, some have reported how those measures have had unintended short-term impacts on both ownership and rental markets whose long-term impacts are yet to be seen.

Understanding these market dynamics—from routine external demand to crisis response—is crucial for housing policy and planning, particularly as Hawai‘i works to address its persistent housing shortage and affordability challenges.

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[57] DBEDT, 2022 State Data Book, Table 21.38.

[58] DBEDT, 2022 State Data Book, Table 21.39.

[59] Calculated from DBEDT 2022 State Data Book, Table 21.38, multiplying number of homes purchased by average purchase price for each buyer category.

[60] Honolulu Appreciation Trends, Neighborhood Scout, at https://www.neighborhoodscout.com/hi/honolulu/real-estate downloaded June 10, 2019.

[61] See Section IV-B, Tourism and Housing, p. 70.

[62] U.S. Fire Administration, Federal Emergency Management Agency (FEMA), “Preliminary After-Action Report: 2023 Maui Wildfire,” December 2023, https://www.usfa.fema.gov/blog/preliminary-after-action-report-2023-maui-wildfire/.

[63] Based on ACS 2022 1-year estimates showing 72,941 total housing units in Maui County.

a. External Demand and Vacancy Rates

Until recently, the impact of external demand on the housing market was primarily a matter of speculation. However, since DBEDT's original study of home sales trends[64] and with the continued tracking of out-of-state buyer in their quarterly economic reports, there is high-quality data on the extent of out-of-state demand in Hawai'i.

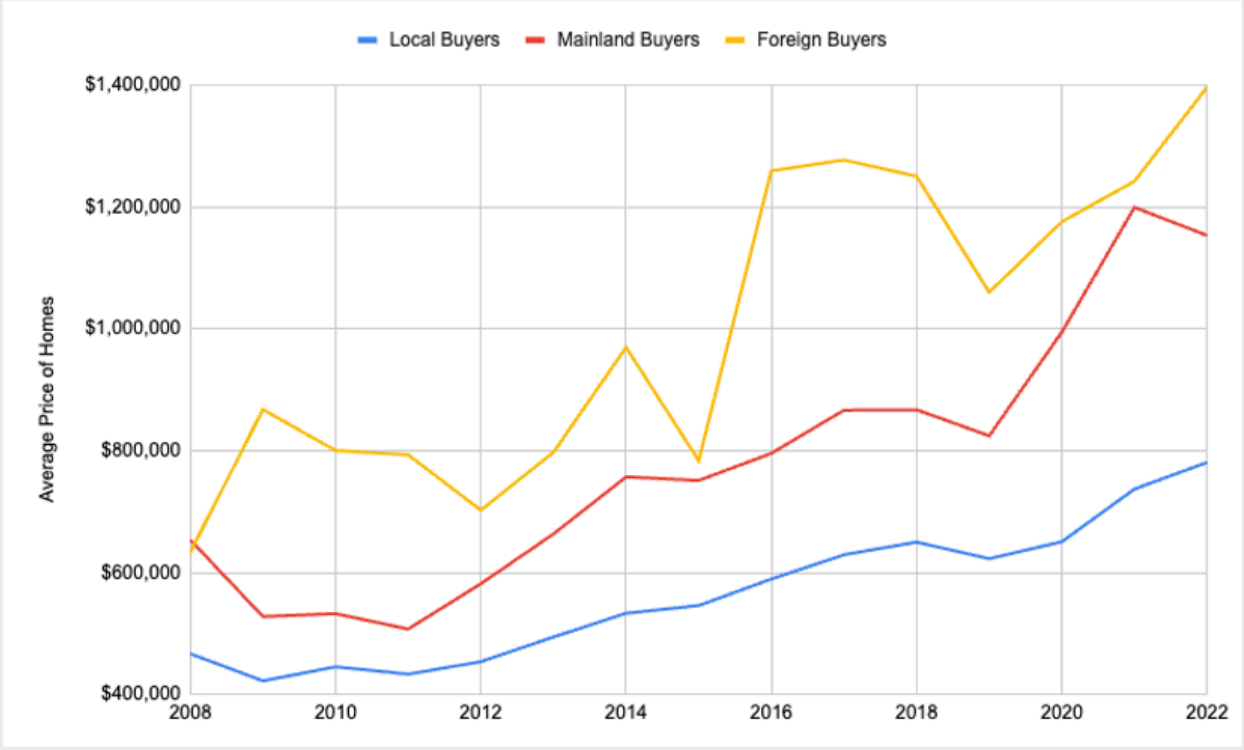
For the last ten years, nearly a quarter of all residential home sales in Hawai'i were to persons and entities outside the islands. That rose as high as 33.5% in 2010 and has been drifting downwards to about 24% in 2018.

Key Insight:

"For the last ten years, nearly a quarter of all residential home sales in Hawai'i were to persons who live outside the state."

~ Data from DBEDT study

FIGURE 21: HAWAI'I HOME PRICE DIFFERENTIALS: LOCAL VS EXTERNAL BUYERS (2008-2022)



Source: 2022 State Data Book, DBEDT. Table 21.38. The DBEDT report utilizes "Mainland U.S." to refer to the continental United States' 48 contiguous states.

[64] DBEDT. 2016. Residential home sales in Hawai'i: Trends and characteristics, 2008-2015, May 2016.

TABLE 21: OUT-OF-STATE SALES, 2008 - 2022

Year	Number of Homes Purchased by Buyers From			Average Price (in dollars) of Homes Purchased by Buyers From		
	Hawai'i	Mainland US	Foreign Countries	Hawai'i	Mainland US	Foreign Countries
2008	13,616	4,427	770	$467,082	$653,776	$633,598
2009	11,426	4,163	599	$422,650	$528,042	$867,617
2010	14,069	6,207	891	$445,632	$532,752	$800,285
2011	11,889	4,349	854	$433,611	$507,601	$793,250
2012	12,017	3,406	797	$454,075	$581,827	$702,552
2013	13,378	3,775	681	$494,544	$663,508	$797,359
2014	13,455	3,655	603	$533,470	$757,000	$969,551
2015	15,077	3,698	580	$546,146	$751,210	$783,774
2016	15,311	3,702	821	$589,614	$795,652	$1,258,892
2017	15,835	3,917	722	$629,455	$866,514	$1,276,758
2018	15,525	3,956	928	$650,139	$867,190	$1,250,040
2019	15,823	3,747	540	$622,960	$824,451	$1,059,771
2020	15,081	3,225	243	$650,808	$994,524	$1,175,499
2021	19,696	5,806	468	$737,197	$1,199,098	$1,241,943
2022	15,923	4,735	473	$780,848	$1,152,955	$1,396,278

Source: 2022 State Data Book, DBEDT. Table 21.38. The DBEDT report utilizes "Mainland U.S." to refer to the continental United States' 48 contiguous states plus Alaska.

Nine out of ten out-of-state buyers (90.9%) were non-Hawai'i U.S. residents and entities, while the remaining 10% were international buyers. Although data exists on out-of-state purchases, current reporting systems do not track whether these buyers subsequently become Hawai'i residents or maintain properties as second homes and/or investment properties. This distinction could provide valuable insight for future housing policy and planning.

Out-of-state sales disproportionately impacted the counties in the last nine years. In 2022, 17% of CCH sales were made to non-residents, and 38% of Hawai'i and Kaua'i Counties' housing unit sales were made to persons living outside Hawai'i. Just over one-third of home sales in Maui County go to outside buyers (34%).

TABLE 22: OUT-OF-STATE SALES BY COUNTY, 2022

	Total Buyers	Percent Out-of-State	Sales Price Differential
State	21,131	24.6%	63.2%
Honolulu	13,467	17.4%	30.3%
Hawai‘i	4,688	38.7%	227.7%
Kaua‘i	871	38.6%	62.5%
Maui	2,105	34.0%	127.5%

Source: 2022 State Data Book, DBEDT, Table 21.39. Note: The out-of-state percentage reflects sales to non-residents, which contribute to a broader analysis of housing availability and residential supply impacts, as detailed on p. 136. For example, in Honolulu, the average sales price for out-of-state units was 63.2% higher than the average sales price for in-state residents.

In 2022, purchase prices for units bought by out-of-state buyers were, on average, 63.2% higher than prices paid by local buyers. On O‘ahu, out-of-state buyers bought units for 30.3% higher than the average units sold to a resident. The price differential peaked in Hawai‘i County, where non-Hawai‘i buyers paid a whopping 227.7% more for their units than local residents.

Overall, external demand for Hawai‘i housing units will significantly impact housing planners’ efforts. This topic will be discussed further in later sections of the report.

b. External Demand and Vacant Units

Many units sold to out-of-state buyers are either second homes or timeshare units. Together, they make up the bulk of units the US Census calls vacant, held for seasonal, recreational, or occasional use (seasonal). These units are reported separately from the residential housing stock and are considered unavailable to residents needing a housing unit.

In all, 5.6% of Hawai‘i’s housing units were seasonal units in 2021. By comparison, the national average is about 2%. The figures indicate that non-residents’ external demand for housing units substantially reduces the number of housing units that are part of the housing stock. Losing those units decreases the housing stock needed to accommodate rising demand.

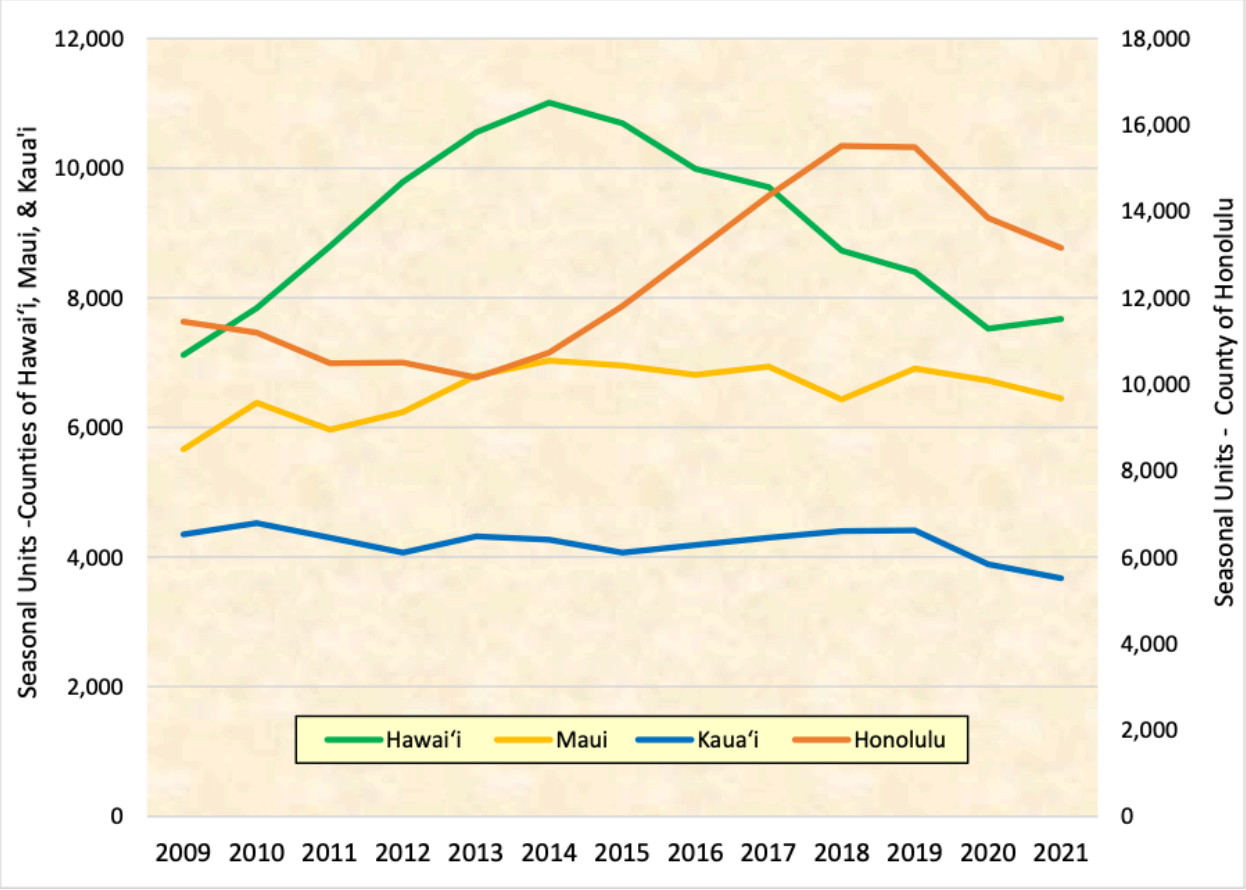
In CCH (**Figure 22**), the 13,158 seasonal units enumerated in the 2021 ACS were 3.6% of O‘ahu’s housing units (down from 4.1% in 2017). Maui County’s 6,448 seasonal units were 9% of total housing units. Hawai‘i County’s 7,672 units were 8.7%of the county’s total housing units (down from 11.5% in 2017). On Kaua‘i, 3,676 seasonal units accounted for 11.6% of all housing units.

The seasonal unit trend line for Kaua‘i has been relatively flat for the past decade, varying by less than 5.0% per year. Notable declines in the number of seasonal units began in 2019 and

have continued to the present. Seasonal units in Maui County peaked in 2013 and are currently down 8.3% from that peak. Seasonal units in Hawai‘i County peaked in 2014 at just over 11,000 but have declined by approximately 30% to the current number. After ending a rising trend that peaked in 2019, CCH’s seasonal units were stable for a brief period before declining to the present number.

Identifying the number of owned or rented residential housing units converted to seasonal (vacation rental units [VRUs]) has been challenging. Hawai‘i monitors VRUs through a multi-pronged approach that combines advanced technology, regulatory frameworks, and data analytics. The Department of Planning and Permitting uses specialized software from Granicus to track short-term rentals, requiring mandatory property registration and implementing a 90-day minimum rental period definition. With the support of Hawai‘i State Act 17 (2024), together with Honolulu Ordinance 19-18 (2019), CCH imposes penalties of $10,000 per infraction, is able to enforce based upon marketing, and mandates data sharing and platform accountability. Complementing these efforts, local research organizations like Hawai‘i Appleseed and UHERO continuously study and report on the prevalence of short-term rentals, which currently account for approximately one in every 24 housing units statewide.

FIGURE 22: VACANT UNITS HELD FOR SEASONAL OR OCCASIONAL USE, BY COUNTY, 2009-2021



Source: ACS 2009-2021, 5-yr. estimates.

Key Insights:

The major takeaway is that external demand creates significant competing pressure on Hawai'i's housing market, with 24.6% of residential sales—ranging from 17.4% in Honolulu to 38.7% in Hawai'i County—going to out-of-state buyers who typically pay 63.2% more than local residents (from 30.3% in Honolulu to 227.7% in Hawai'i County). This directly impacts housing availability and affordability for local residents by:

- Reducing available housing stock (5.6% of units are seasonal vs. 2% national average)
- Driving up prices through higher purchasing power
- Converting potential resident housing into vacation/seasonal units, including one in 24 units as short-term rentals
- Exacerbating housing shortages, as seen with the 2023 Maui wildfires destroying 3% of Maui County's housing stock
- Prompting regulatory efforts to monitor and limit vacation rentals, such as through Act 17 (2024)

3. Survey Demand Estimates

One objective of the 2024 HHPS is to estimate the demand for housing units for the next five years and use those projections to identify the number and types of units needed for the State to meet supply and demand equilibrium. *The Housing Demand Survey* was conducted between 2022 and 2023 to facilitate demand estimates and provide details on prospective buyers and renters, their financial situations, and unit preferences. Data from this Survey were used to produce estimates of raw, effective, and qualified demand.

a. Raw Demand

Survey respondents were first asked when their household would next move to a new housing unit. Some said they would never move from their current units and had found the place they wanted to live in for the rest of their lives. Another group said they might move but had no immediate plans. Others said they would move sometime in the next 10 years, and as such were classified as "movers" and provided the survey estimate for raw demand.

TABLE 23: HHPS DEMAND SURVEY DEMAND ESTIMATES, BY COUNTY, 2023

	County								State of Hawai'i	
	Honolulu		Maui		Hawai'i		Kaua'i			
	County	Col %	County	Col %	County	Col %	County	Col %	County	Col %
Total Households	325,877	100.0%	53,550	100.0%	69,879	100.0%	22,854	100.0%	472,159	100.0%
Will Not Move	115,702	35.5%	22,409	41.8%	28,849	41.3%	10,510	46.0%	177,470	37.6%
Raw Demand	210,174	64.5%	31,141	58.2%	41,030	58.7%	12,344	54.0%	294,689	62.4%
Will Move, But No Timeframe	54,384	16.7%	9,667	18.1%	11,714	16.8%	4,332	19.0%	80,097	17.0%
Final Demand	155,790	47.8%	21,474	40.1%	29,316	42.0%	8,012	35.1%	214,592	45.4%
Will Move Out of State	43,343	13.3%	5,415	10.1%	7,707	11.0%	2,184	9.6%	58,649	12.4%
Effective Demand	112,447	34.5%	16,059	30.0%	21,610	30.9%	5,828	25.5%	155,943	33.0%

Source: *2022-2023 Housing Demand Survey*. Raw demand is households except those who said they would never move. "Will move, but no plans" is the number of households who were unsure or refused to report when they expected to move. "Will move out of state" is the number of households whose first location choice was out-of-state. Out-of-state and no plan households are excluded from effective demand. Note: Rows and columns may not sum exactly due to rounding error resulting from data weighting. Additional Note: The Effective Demand percentages for 2023 in this table (e.g., 34.5% for Honolulu, 33.0% statewide) differ slightly from those reported in Table 26 (e.g., 36.5% for Honolulu, 35.1% statewide). These differences, ranging from 0.6% to 2.8%, are likely due to variations in survey methodology, data weighting, or rounding. Table 23 is based on the 2023 HPS Demand Survey, which categorizes households into groups such as "Will Not Move" and "Will Move Out of State" to derive Effective Demand. Table 23, however, tracks historical trends in Effective Demand from 1992 to 2023. These small discrepancies do not significantly impact the overall findings of the housing demand study.

In 2023, raw demand included 62.4% of households statewide, up from 60.1% in 2019, 56.8% in 2016, and 51% in 2011. At 64.5% of all households, CCH had the highest level of raw demand. Other counties had similar levels of raw demand (Maui and Hawai'i counties: 58% and Kaua'i: 54%, respectively).

Key Insight:
Raw housing demand has steadily increased across Hawai'i over the past decade, climbing from 51% of households in 2011 to 62.4% in 2023 - signaling growing housing pressure across all counties. This marks the highest level of raw demand recorded in the past 12 years of the Housing Demand Survey.

Housing Demand Among DHHL-Eligible Households in 2023

Table 24 provides an overview of housing demand among DHHL eligible households in 2023 based upon the HHPS.[65] It is important to note that the methodology in reaching these respondents is different from the HHPS overall. Data includes a mixture of those HHPS

[65] Respondents self-identified at native Hawaiian and/or Native Hawaiian.

respondents that indicated they are native Hawaiian in addition to a random sample on the DHHL waitlist that the research team reached out to.

Across Hawai‘i, there are an estimated 24,188 DHHL-eligible households,[66] representing a small but significant subset of the total 472,159 households in Hawai‘i (**Table 24**). Of these, 19,914 DHHL-eligible households (82.3%) express a raw demand for housing, meaning they are either planning to move or are unsure about moving. This is notably higher than the 62.4% raw demand observed among the general population (**Table 24**), suggesting that DHHL-eligible households are more likely to be seeking new housing opportunities, potentially driven by the prospect of accessing DHHL leases or programs.

TABLE 24. DHHL-ELIGIBLE HOUSEHOLDS HHPS DEMAND SURVEY DEMAND ESTIMATES, BY COUNTY, 2023

	County								State of Hawai‘i	
	Honolulu		Maui		Hawai‘i		Kaua‘i			
	County	Col %	County	Col %	County	Col %	County	Col %	County	Col %
Total Households	13,865	100.0%	3,153	100.0%	5,772	100.0%	1,578	100.0%	24,188	100.0%
Will Not Move	2,159	15.8%	620	19.7%	1,091	18.9%	403	25.5%	4,273	17.7%
Raw Demand	11,526	84.2%	2,533	80.3%	4,681	81.1%	1,174	74.4%	19,914	82.3%
Will Move, But No Timeframe	5,330	38.9%	1,203	38.2%	2,338	40.5%	621	39.4%	9,492	39.2%
Final Demand	6,196	45.3%	1,330	42.2%	2,343	40.6%	553	35.0%	10,422	43.1%
Will Move Out of State	644	4.7%	126	4.0%	151	2.6%	18	1.1%	939	3.9%
Effective Demand	5,552	40.6%	1,203	38.2%	2,192	38.0%	535	33.9%	9,483	39.2%

Source: *2023 DHHL Beneficiary Demand Survey*. The sample includes demand survey respondents who reported that at least one of the members of their household was 50+% Native Hawaiian as well as respondents to the Housing Demand Survey, 2023 sent specifically to current DHHL Applicants. Raw demand is households except those who said they would never move. “Will move, but no plans” is the number of households who were unsure or refused to report when they expected to move. “Will move out of state” is the number of households whose first location choice was out-of-state. Out-of-state and no plan households are excluded from effective demand. Note: Rows and columns may not sum exactly due to rounding error resulting from data weighting.

Breaking this down further, 9,483 DHHL-eligible households (39.2%) show higher levels of effective demand—those planning to move within the state with a defined time frame—compared to 33.0% of the general population. This higher effective demand underscores the role of DHHL programs in encouraging housing mobility among Native Hawaiian beneficiaries. However, a significant portion of DHHL-eligible households (9,492, or 39.2%) report they will move but lack a specific timeframe, a much higher percentage than the 17.0% seen in the general population. This uncertainty may reflect challenges such as delays in DHHL land allotments, financing, or housing availability. Additionally, only 939 DHHL-eligible households (3.9%) plan to move out of state, compared to 12.4% of the general population,

[66] Note that a DHHL-eligible household includes one or more native Hawaiian. This number varies from the DHHL waitlist, which is based upon individual native Hawaiians rather than upon households.

highlighting a desire among DHHL-eligible households to remain in Hawai‘i for various reasons.

By county, CCH has the largest number of DHHL-eligible households (13,685), with an effective demand of 40.6%, followed by Hawai‘i County (5,772 households, 38.0% effective demand), Maui (3,153 households, 38.2% effective demand), and Kaua‘i (1,578 households, 33.9% effective demand). These trends are consistent with the general population, though the effective demand is consistently higher among DHHL-eligible households across all counties.

This data provides a snapshot of demand but may not fully capture the complexities of DHHL housing access, including waitlist dynamics, land availability, and infrastructure constraints. This report includes summary information, with a more detailed analysis to be pursued in another study. Additionally, rows and columns may not sum exactly due to rounding errors resulting from data weighting.

1) Reasons for Not Buying

2022-2023 Housing Demand Survey respondents who expressed interest in moving but not in purchasing a home were asked to explain why they would choose not to buy. About half (51.5%) of movers reported that home prices were too high or that it was too expensive to buy right now (**Table 25**). 28.3% said they could not afford the down payment, while 17% could not afford the monthly payment. 18% believe they would be unable to qualify for a mortgage.

TABLE 25: TOP FIVE REASONS FOR NOT BUYING A HOME BY COUNTY, 2023

	County				
	Honolulu	Maui	Hawai‘i	Kaua‘i	State
	Col %	Col %	Col %	Col %	Col %
Too expensive	53.9%	52.3%	38.7%	47.3%	51.5%
Can't afford down payment	27.4%	35.8%	27.6%	29.5%	28.3%
Can't qualify for loan	17.3%	23.0%	15.9%	21.1%	17.7%
Can't afford monthly payment	16.9%	21.5%	13.4%	20.9%	17.0%
Think market is bad now	9.8%	11.7%	7.3%	15.1%	9.8%
Worried about job security	7.5%	3.8%	5.1%	4.5%	6.7%

Source: *2022-2023 Housing Demand Survey*.

Only 4.6% of households that do not plan to buy a home said they preferred to rent. Some were not going to be in Hawai‘i for a long time and did not want to be tied to any one place. Others were not ready for the commitment and maintenance expected of home ownership.

b. Effective Demand

In 2023, 27.3% of households with a timeframe for moving plan to leave Hawai‘i on their next move. As in 2019, Hawai‘i was ranked number two among states with the highest percentage

of households planning to leave the state. At a time when Americans are moving away from their home state at unprecedented rates, Hawai'i leads the nation in intentions to leave.[67]

1) Reasons for Leaving the State

Many families moved away from Hawai'i because they could not afford to purchase a home, which is consistent with the state's high-priced housing market and lower homeownership rates.

Statewide, about 32% of respondents who planned to leave said the high cost and limited inventory were reasons for them to move. This was higher than the 22% of mover households that cited the cost of housing as a primary reason they chose to leave Hawai'i in 2019, but similar to the 30% and 31% of households in 2011 and 2016, respectively.

TABLE 26: EFFECTIVE DEMAND BY COUNTY, 1992 - 2023

	Effective Demand: Percent of Total Households Intending To Move To A Housing Unit in Hawai'i							
	1992	**1997**	**2003**	**2006**	**2011**	**2016**	**2019**	**2023**
Honolulu	51.7%	47.3%	38.9%	33.2%	31.3%	43.1%	32.2%	36.5%
Maui County	38.8%	41.4%	35.7%	39.6%	31.3%	35.3%	30.5%	32.5%
Hawai'i	40.2%	34.3%	33.8%	36.3%	26.0%	36.7%	29.8%	33.0%
Kaua'i	38.5%	34.2%	31.4%	30.6%	27.3%	28.9%	21.9%	28.3%
State	*48.4%*	*44.4%*	*37.5%*	*34.2%*	*30.3%*	*40.5%*	*31.1%*	*35.1%*

Source: *Housing Demand Survey*, 1992, 1997, 2003, 2006, 2011, 2016, 2019, and 2023. The 2023 Effective Demand percentages in this table (e.g., 36.5% for Honolulu, 35.1% statewide) differ slightly from those reported in Table 23 (e.g., 34.5% for Honolulu, 33.0% statewide). These differences, ranging from 0.6% to 2.8%, are likely due to variations in survey methodology, data weighting, or rounding. Table 26 provides a historical perspective on Effective Demand from 1992 to 2023, which may involve different survey methods or sample populations compared to the 2023-specific HPS Housing Demand Survey used in Table 23. These small discrepancies do not significantly impact the overall findings of the housing demand study.

Effective demand is defined as households intending to move to a home in Hawai'i. Across the State, effective demand fell in each year the HDS was conducted between 1992 (48.4%) and 2011 (30.3%). Statewide effective demand climbed slightly to 40.5% in 2016 but fell back to 31.1% of all households in 2019. The percentage of total households considered effective demand households in 2023 was slightly higher at 35.1%.

Some observers believe there is more interest in home buying now because sales are stable and prices are anticipated to increase. Others see few reasons to buy and point to the decreasing population as a caution for buyers to purchase. Regardless of buyer motivations, the

[67] *See:* https://www.lendingtree.com/home/mortgage/lendingtree-study-reveals-the-top-states-where-residents-are-staying-put-moving-from-and-moving-to.

2024 HHPS data show that the level of effective demand inside Hawai‘i has remained relatively stable since 2003.

For native Hawaiian households on the DHHL waitlist, effective demand reveals a stark affordability gap that emphasizes the need for targeted interventions. Among responses from 996 DHHL applicants and 87 eligible households, 49% and 57.5% respectively reported plans to buy within the next several years—likely reflecting short-term housing needs driven by delays in receiving awards, rather than a preference to purchase outside the DHHL program.[68]

However, budgets among DHHL-eligible households often fall short of market realities: 47.5% of applicant buyers and 50% of eligible buyers can afford $1,000–$2,999 monthly, while 43.8% of applicant renters and 75% of eligible renters manage $800–$1,699.[69] Compared to market rates—such as $1,767 for a 1-bedroom or $2,998 for a single-family rental (**Table 35**)—only 20%–30% of these households could afford median rents or mortgage payments without exceeding 30% of income, assuming median incomes align with the DHHL lessee median of $74,954.[70] This gap, affecting roughly 70% of prospective DHHL buyers and renters, highlights their exclusion from effective demand under current market conditions. Subsidies or low-cost ownership programs, such as converting seasonal units (Section II.A), could bridge this divide, with 81.1% of renters willing to buy if affordable options existed.[71]

Historically, the pattern of effective demand across counties has been relatively consistent. CCH's effective demand is consistently highest among the counties. Among the Neighbor Island counties, effective demand for Maui and Hawai‘i counties is typically higher than that of Kaua‘i County.

4. Purchase Preferences

The *2022-2023 Housing Demand Survey* measured buyer and renter preferences, and qualifications for housing unit types. The objective was to provide information on consumer preferences to support housing issue analyses over the next few years.

Forty-one percent (41.3%) of effective demand movers said they wanted to buy their next unit. Unfortunately, plans to buy do not always translate into marketplace reality. About one in five (20.6%) of those who planned to purchase their next home conceded that they were not sure they could afford it and may have to continue renting.

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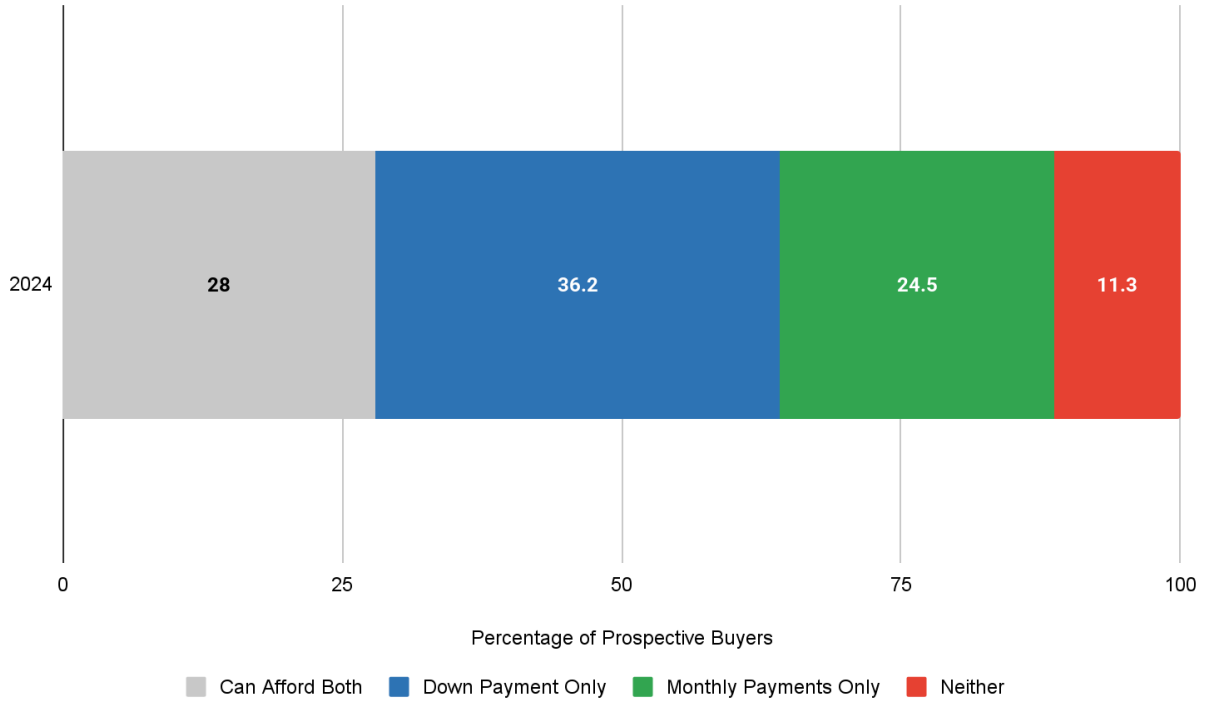
[68] **Source**: "Preferences Among DHHL Applicants and Eligible" spreadsheet, MOV5 (49% of 996 applicants and 57.5% of 87 eligible households plan to buy); preface note ("This is what they expect to have to do in the next several years because they are unlikely to receive their award within that timeframe").
[69] **Source**: "Preferences Among DHHL Applicants and Eligible" spreadsheet, MOV8 (47.5% of applicant buyers afford $1,000–$2,999/month; 50% of eligible buyers afford $1,000–$2,999/month); MOV9 (43.8% of applicant renters afford $800–$1,699/month; 75% of eligible renters afford $800–$1,699/month).
[70] **Source**: *HHPS 2024*, p. 175 ($1,763 for a 1-bedroom); Table 25 ($2,998 median rent for single-family unit); DHHL 2020 Beneficiary Survey, p. 26 (median household income $74,954); assumes 30% of income threshold (~$1,874/month at median).
[71] **Source**: *HHPS 2024*, p. 82 (81.1% of renters would buy if affordable); "Preferences Among DHHL Applicants and Eligible" spreadsheet reinforces this among DHHL renters.

a. Buyer Qualifications

To evaluate the financial readiness of households wishing to buy a housing unit in Hawai‘i within the next five years, the 2024 HHPS examined their income, affordable monthly housing payment, and total amount available for a down payment. These elements were evaluated against a median-priced home assuming a fixed-rate, 30-year loan, a 6.125% interest rate, and a 12% down payment. Results are shown in **Tables 29 and 30**.

Across Hawai‘i, 24.5% of prospective single-family home buyers said they could afford the monthly mortgage payments but not necessarily the down payment. Conversely, 36.2% said they had the funds to make a 12% down payment but could not always afford the monthly payment. About 28% of households statewide were qualified to meet both requirements, up from just 20% in 2019. **Figure 23** illustrates the financial barriers to single-family home buying in 2024, highlighting the distribution of buyers across these categories.

FIGURE 23: FINANCIAL BARRIERS TO SINGLE-FAMILY HOME BUYING IN HAWAI‘I, 2024



Source: 2024 Hawai‘i Housing Planning Study (HHPS), Table 29. Note: Percentages represent effective demand buyers planning to purchase a single-family dwelling (SFD) unit within the next 5 years, based on a 30-year fixed loan, 6.125% interest rate, and a 12% down payment. Categories are color-coded: Can Afford Both (gray), Down Payment Only (blue), Monthly Payments Only (green), Neither (red).

These financial barriers highlight the challenges many households face, even when considering more affordable multi-family units. The same financial qualification measures were applied to potential homebuyers who sought to purchase a multi-family unit rather than a single-family home. The 2024 HHPS used the current median sales price for condominiums in each county

rather than the single-family median. As shown in **Table 28** below, residents planning to purchase a multi-family rather than a single-family unit were more likely to be financially able to do so.

Notably, seven in ten households planning to rent their next home cited financial reasons for their decision. Reasons for not buying included the inability to afford a down payment or monthly payment and the belief that homes in Hawai‘i are just “too expensive.” These households were also asked if they would opt to purchase a home if there was a unit available that they could afford. Over 80% responded affirmatively (81.1%).

The median price, monthly mortgage, and down payment required for multi-family units are lower than for single family residences. Therefore, more Hawai‘i households could meet the requirements to purchase a townhouse or condominium unit. The 2024 HHPS results confirmed that 13.5% of Hawai‘i households in the market for a multi-family ownership unit in the next five years could afford to make the monthly payments. Forty-four percent reported having enough to make the down payment.

This analysis does not include the impact of maintenance fees on many multi-family units. Across the State, maintenance and other fees are often calculated at between $0.60 and $1.50 per square foot. While the national average for maintenance fees is $331, the average for Hawai‘i has been quoted as $539. If the $539 for maintenance fees were added to the monthly mortgage payment of $3,198 (**Table 28**), this would likely reduce the number of households qualifying for purchase. Taking maintenance fees into account is important for planners and developers, with recent challenges in CCH-related projects that were built as affordable for certain households at the development stage but were pushed beyond affordable limits after the maintenance fees.

TABLE 27: FINANCIAL QUALIFICATION TO PURCHASE A SINGLE-FAMILY HOME, COUNTIES & STATE, 2023

	Honolulu	Maui	Hawai'i	Kaua'i	State
Median Sales Price	$1,024,000	$1,007,000	$487,700	$1,000,000	$839,400
Down Payment Required	$122,880	$120,840	$58,524	$120,000	$100,728
Monthly Mortgage Payment	$5,475	$5,384	$2,603	$5,637	$4,488
Total Effective Demand Buyers w/in 5 Years	27,290	4,130	4,898	1,213	37,531
Can Afford Monthly Payment	10.1%	19.0%	39.1%	15.2%	24.5%
Have Adequate Down Payment	48.1%	32.6%	24.8%	35.1%	36.2%
Fully Qualified (Both)	30.1%	22.2%	26.7%	16.0%	28.3%

Source: Median prices from Board of Realtors (June 2023). Qualified buyers from the 2024 HHPS. The base is effective demand buyers who plan to purchase a SFD unit within the next 5 years. Monthly mortgage amount is based on a 30-year fixed loan, 6.125% interest rate, and a 12% down payment. Principal & interest only. Can Afford Monthly Payment if the monthly payment is less than or equal to 30% of household income.

TABLE 28: FINANCIAL QUALIFICATION TO PURCHASE A MULTI-FAMILY HOME, COUNTIES & STATE, 2023

	Honolulu	Maui	Hawai'i	Kaua'i	State
Median Sales Price	$503,000	$825,000	$567,000	$704,000	$598,200
Down Payment Required	$60,360	$99,000	$68,040	$84,480	$71,784
Monthly Mortgage Payment	$2,689	$4,411	$3,031	$3,764	$3,198
Total Effective Demand Buyers w/in 5 Years	6,950	735	742	89	8,517
Can Afford Monthly Payment	16.0%	5.4%	39.2%	2.2%	13.5%
Have Adequate Down Payment	43.5%	32.7%	78.0%	68.5%	44.2%
Fully Qualified (Both)	3.5%	5.4%	36.1%	2.2%	14.0%

Source: Median prices from Board of Realtors (June 2023). Qualified buyers from the 2024 HHPS. The base is effective demand buyers who plan to purchase a MFD unit within the next 5 years. Monthly mortgage amount is based on a 30-year fixed loan, 6.125% interest rate, and a 12% down payment. Principal & interest only. Can Afford Monthly Payment if the monthly payment is less than or equal to 30% of household income.

Among DHHL beneficiaries, the financial readiness of lessees to purchase or maintain housing also reflects challenges similar to those statewide, but with unique considerations for native Hawaiian beneficiaries. Nearly nine in ten (88%) DHHL lessees have at least one full-time job, with the most common industries being services (23%) and construction (15%), according to the *DHHL 2020 Beneficiary Survey*. However, financial constraints remain significant: 56% of DHHL lessees have household incomes at or below 80% of the HUD Area Median Income (AMI), and their median household income is $74,954, which may limit their ability to afford down payments or monthly mortgage payments for homes, as illustrated by an example of a $246,000 turn-key

house in Kapolei requiring monthly payments ranging from $1,113 to $1,421 depending on down payment size.

Additionally, 51% of lessees cannot afford minor repairs, and 72% cannot afford major repairs to their homes, further straining their financial capacity for homeownership. These factors suggest that, despite high employment, many DHHL lessees face barriers to qualifying as buyers, aligning with the statewide challenges of affording down payments and monthly payments.[72]

b. Renter Qualifications

Financial qualification for households planning to rent their next unit was evaluated using the current average monthly rental rate for single-family units (SFU) and multi-family units (MFU) in each county, as detailed in **Tables 29 and 30**. Household income, current monthly shelter payment, and affordable monthly rent were examined to determine prospective renters' financial readiness.

TABLE 29: FINANCIAL QUALIFICATION TO RENT A SINGLE-FAMILY UNIT, COUNTIES AND STATE OF HAWAIʻI, 2023

	Honolulu	Maui	Hawaiʻi	Kauaʻi	State
Median Monthly Rent Amount	$3,428	$2,966	$2,312	$3,286	$2,998
Security Deposit + 1st Mo. Rent	$6,856	$5,932	$4,624	$6,572	$5,996
Total Effective Demand Renters w/in 5 Years	18,934	3,592	6,111	1,337	29,974
Affordable Rent Same or Higher	14.7%	14.1%	5.8%	6.7%	15.1%
Current Rent Same or Higher	18.3%	20.1%	8.6%	10.8%	20.6%
Income-Based Qualification	20.1%	17.8%	14.9%	17.7%	25.5%

Source: Median rents from Rent Range (June 2023) for all unit sizes. Qualified renters from the 2024 HHPS. The base is effective demand renters who plan to rent an SFD unit within the next 5 years. Affordable rent amount is self-report survey data. Qualification is % of households for whom the median monthly rent is 30% or less of their total household income.

[72]https://dhhl.hawaii.gov/wp-content/uploads/2021/01/G-3-For-Information-Only-2020-DHHL-Beneficiary-Study-Survey-Results.pdf.

TABLE 30: FINANCIAL QUALIFICATION TO RENT A MULTI-FAMILY UNIT, COUNTIES AND STATE OF HAWAIʻI, 2023

	Honolulu	Maui	Hawaiʻi	Kauaʻi	State
Median Monthly Rent Amount	$3,512	$3,384	$2,646	$3,382	$3,231
Security Deposit + 1st Mo. Rent	$7,024	$6,768	$5,292	$6,764	$6,462
Total Effective Demand Renters w/in 5 Years	24,148	1,230	2,087	332	27,798
Current Rent Same or Higher	6.1%	8.5%	2.0%	10.8%	7.1%
Affordable Rent Same or Higher	2.7%	7.4%	1.9%	5.7%	4.2%
Income-Based Qualification	8.7%	0.0%	9.5%	23.4%	10.2%

Source: Median rents from Rent Range (June 2023) for all unit sizes. Qualified renters from the 2024 HHPS. The base is effective demand renters who plan to rent a MFD unit within the next 5 years. Affordable rent amount is self-report survey data. Qualification is % of households for whom the median monthly rent is 30% or less of their total household income.

Statewide, only 15.1% of those planning to rent a SFU (**Table 29**) indicated they could afford the median monthly rent payment of $2,998. For 25.5% of these households, their current income suggests that making the median monthly rent payment would require less than 30% of their income. However, 20.6% of these households currently pay more each month for housing than the median monthly rent amount.

In contrast, affordability is even more constrained for MFUs (**Table 30**). Across Hawaiʻi, only one in ten prospective multi-family renters indicated the current median rent payment of $3,231 would require less than 30% of their household monthly income. Said another way, 90% of prospective multi-family renters in Hawaiʻi would have to spend more than 30% of their household income to afford their current median rent, making MFUs less affordable compared to SFUs.

The 68,029 households across Hawaiʻi that intend to rent their next unit were almost evenly divided between those who would prefer to rent a single-family dwelling (50.2%) and those seeking multi-family accommodations. Households planning to rent single-family units in Honolulu would likely have sufficient household income to make the median monthly rent payment of $3,428, as shown in **Table 29**. Maui County residents were most likely to make a monthly housing payment equal to or higher than the median price of $2,966 per month (note this analysis is prior to any impact to the rental prices following the 2023 fires). Among those households planning to rent multi-family units (**Table 30**), only 7% were making monthly rent payments equal to or higher than the median rent amount of $3,384 in Maui, and less than 5% indicated they could afford this median payment (4.2%).[73]

Regionally, among those who want a MFU as their next home, those in Kauaʻi County were the most financially prepared to do so, with 23.4% qualifying based on income for the median MFU

[73] These findings reflect pre-2023 fire conditions; post-fire impacts on Maui's rental market may have altered affordability, warranting further analysis.

rent of $3,382. However, Hawai‘i County residents seeking to rent an MFU were the least well-qualified to afford the current median monthly rent payment of $2,646, with only 9.5% qualifying. For SFU, Kaua‘i County also shows stronger financial readiness, with 17.7% qualifying for the median rent of $3,286, while Hawai‘i County has the lowest qualification rate at 14.9% for the median rent.

Key Insights: Financial Barriers Persist Despite Demand for Homeownership in Hawai‘i

In 2024, while 41.3% of effective demand movers in Hawai‘i aspire to buy their next home, only 28% are financially qualified to purchase a median-priced single-family home, up from 20% in 2019. For multi-family units, affordability improves (14% fully qualified), yet maintenance fees—averaging $539 monthly—could shrink this pool further. Meanwhile, 70% of prospective renters cite financial constraints, though 81.1% would buy if affordable options existed. This gap emphasizes a persistent challenge: even as demand for ownership remains strong, high costs and limited financial readiness continue to push households toward renting, particularly in a market where median rents ($2,998–$3,231) strain incomes.

5. Housing Preferences

Housing preferences in Hawai‘i provide critical insights into the housing needs and financial constraints of residents planning to buy or rent their next home within the next five years, as well as native Hawaiian beneficiaries within the DHHL community. Understanding these preferences is vital for addressing Hawai‘i’s housing affordability crisis, informing policy, and meeting diverse community needs across counties and beneficiary groups.

The preference for single-family homes is a defining feature of Hawai‘i’s housing market, driven by cultural and practical considerations. Statewide, 71.9% of needed units are single-family, reflecting a strong resident preference, particularly on neighbor islands (e.g., 80.6% of needed units in Hawai‘i County are single-family, Table 39). Among DHHL-eligible households, 75.7% of applicants and 78.2% of eligible households favor single-family homes, with a preference for 2- or 3-bedroom units (Table 39C). This demand is concentrated at lower income levels, with 26.7% of total units (17,242) needed for households at 30% AMI or below, and 65% (42,100 units) for those at 80% AMI or below (Table 39A). Despite this demand, many new single-family units are converted to seasonal or vacation use, reducing availability for residents (Section II).

Delivering single-family homes affordable to households is constrained by significant economic barriers. The median sales price for single-family homes rose 36.7% from 2019 to 2022 to $950,000 statewide, with Honolulu at $1,100,000 (Table 32), rendering ownership unattainable for most low-income households. Renters at 30% AMI face a housing wage gap of $17.46/hour, as the 2023 two-bedroom housing wage of $41.83/hour exceeds the average renter wage of $24.37/hour (Table 36). For DHHL-eligible households, financial constraints are stark: 38.1% of applicants can afford less than $25,000 for a down payment, and 39.8% can afford monthly payments of $1,500–$2,499, well below typical mortgage costs. These barriers are

compounded for the 17,242 households at 30% AMI, who are often severely cost-burdened, spending over 50% of their income on housing (Table 5). Without targeted interventions, single-family homeownership remains out of reach many.

a. For Owned Units

The effective demand of buyers statewide who plan to move within the state in the next five years generally prefer to purchase single-family detached homes (44.1%). Single-family units are more important to buyers in Hawai‘i (66.1%), Maui (56.1%), and Kaua‘i counties (54.6%) than in CCH (37.9%). Maui (2.8%) and Hawai‘i (3.5%) counties also showed the lowest preference for condominium units.

Approximately 37% of potential buyers said they would be looking for a two-bedroom unit, while 33% said they need three bedrooms. When asked about the minimum number of bedrooms they could accept, 43% felt two bedrooms would be enough and another 31% reported a one-bedroom minimum. This willingness to settle for fewer bedrooms was slightly higher than in the past, perhaps reflecting buyers' readiness to compromise on the unit size in the face of high prices or a reflection of smaller households. The same was true for the preferred number of bathrooms. Fifty-seven percent of households would prefer 2-3 bathrooms, but more than half (53.4%) of buyers conceded they would be willing to accept a unit with only one or one-and-a-half bathrooms.

New survey data from 2024 reveals further flexibility in responses to ownership options to achieve affordability. Statewide, 35.8% of respondents, including DHHL applicants and eligible households, would buy a single-family home with a 99-year lease and limited equity[74], with CCH residents showing the highest acceptance at 45.3%, reflecting intense urban demand. For multi-family options, 20.3% would purchase a unit with a 10-year occupancy requirement and government-set resale prices,[75] while 48.4% are "Willing to consider" a 5-year term,[76] suggesting denser, shorter-term options could expand supply. Understanding of tenure options supports this openness, with 39.4% of respondents reporting they "know a lot" about leasehold versus fee simple properties,[77] rising to 40.8% in Honolulu. These insights suggest developers could diversify housing stock in addition to fee simple single-family homes, particularly for the 28.1% multi-family need within the 64,490-unit shortage.

Table 31 illustrates this flexibility across tenure and housing types, focusing on interim options for DHHL applicants and eligible households awaiting homestead awards. Statewide, 80.3% are open to purchasing a single-family home with a 99-year lease, combining those who would definitely buy (44.5%) and those willing to consider it (35.8%). By contrast, 56.1% would accept

[74] Source: *2022-2023 Housing Demand Survey*, QLEA8: "Would you be willing to buy a single-family home if the government lease was 99 years, with a 99-year occupancy and a limited equity price defined in the lease if sold?"
[75] Source: *2022-2023 Housing Demand Survey*, QLEA4: "Would you buy a multi-family unit with a 10-year occupancy requirement and government-set resale prices?"
[76] Source: *2022-2023 Housing Demand Survey*, QLEA5: "Would you buy a multi-family unit with a 5-year occupancy requirement and government-set resale prices?"
[77] Source: *2022-2023 Housing Demand Survey*, QLEA6: "How well do you understand the difference between a leasehold property and a fee simple property?" (Response: "Know a lot").

a multi-family unit with a 10-year occupancy requirement, and 54.4% a 5-year term, reflecting a drop-off in enthusiasm for shorter-term, denser options. These responses highlight a trade-off: while single-family leaseholds align with the 44.1% statewide demand for detached homes, multi-family units with shorter tenures could address immediate needs for the 28.1% multi-family shortage (Section III).

TABLE 31: WILLINGNESS TO PURCHASE AFFORDABLE HOUSING AS AN INTERIM OPTION BY TYPE AND TENURE

Category	Percentage
Single-Family, 99-yr Lease	80.3%
Multi-Family, 10-yr	56.1%
Multi-Family, 5-yr	54.4%

Housing preferences among DHHL applicants further illuminate the demand for single-family homes, with 75.7% of applicants and 78.2% of eligible households favoring single-family homes over condos or townhouses.[78] Three-bedroom homes are most desired (39.1% of applicants, 56.3% of eligible), with two bedrooms often the minimum acceptable.[79] Financially, only 12.3% of applicants and 20% of eligible households can afford a $100,000+ down payment,[80] and monthly housing costs of $1,500–$2,499 dominate buyer capacity,[81] emphasizing the need for affordable options or subsidies to bridge these gaps.

Equity-sharing models offer a viable solution, as the 2024 survey includes responses from DHHL applicants and eligible households. Statewide, 44.5% of respondents would consider a 99-year lease single-family home with limited equity[82]—a response that aligns with the DHHL community's 75.7% single-family demand. This suggests such models could accelerate delivery of the 8,508 needed units, particularly for beneficiaries constrained by down payment and cost barriers.

b. For Rented Units

Households that planned to rent their next home in Hawai'i in the next five years were predominantly current renters (85.8%). Forty-two percent (42.3%) of those wanted to rent a single-family house and 46% wanted a multi-family unit such as an apartment (27.8%), condominium (8.9%), or townhouse (9%). Preference for single-family homes was once again much higher on neighbor islands, ranging between 56% and 63% versus 37% for CCH. On O'ahu, 11% of prospective renters wanted townhomes versus 2-3% on neighbor islands.

[78] Data from the 2024 Hawai'i Housing Planning Study (HHPS) DHHL Preferences Survey, MOV12, accessed March 17, 2025.
[79] *2023 DHHL Beneficiary Survey*, MOV15 and MOV16.
[80] *2023 DHHL Beneficiary Survey*, MOV10.
[81] *2023 DHHL Beneficiary Survey*, MOV11.
[82] *2022-2023 Housing Demand Survey*, QLEA8: "Would you be willing to buy a single-family home if the government lease was 99 years, with a 99-year occupancy and a limited equity price defined in the lease if sold?"

Across Hawai‘i, renters would prefer larger units with two (37%) or three bedrooms (33%). The vast majority (85.6%) of renters were willing to take units with fewer than three bedrooms. Again, the figures suggest a willingness to accept smaller units than in the past. The number of bathrooms required was also relatively low, with 62.1% reporting that they could accept one or one-and-a-half baths.

More than eight in ten (81.4%) households that plan to rent their next unit said they would like to buy a home in the future. Their reasons for not doing so now most often included the high cost of housing and insufficient funds for a down payment.

Among DHHL applicants and eligible households planning to rent, 81.1% aspire to buy if affordable homes were available,[83] yet current financial constraints limit their options. Renters can typically afford $1,400 or more monthly (43.8% of applicants, 75% of eligible),[84] with a strong preference for single-family homes,[85] though only 32.9% of applicants and 27.9% of eligible households would consider multi-family units if single-family homes are out of reach.[86] These preferences, shaped by market realities rather than DHHL award expectations,[87] highlight the tension between immediate needs and long-term homeownership goals.

6. Housing Prices

Hawai‘i’s housing market is defined by persistently high prices, a trend noted by economists like Sumner La Croix since World War II and tracked by the 2024 HHPS since 1992. Understanding these prices is crucial for addressing affordability challenges, informing housing policy, and supporting residents facing steep cost barriers statewide.

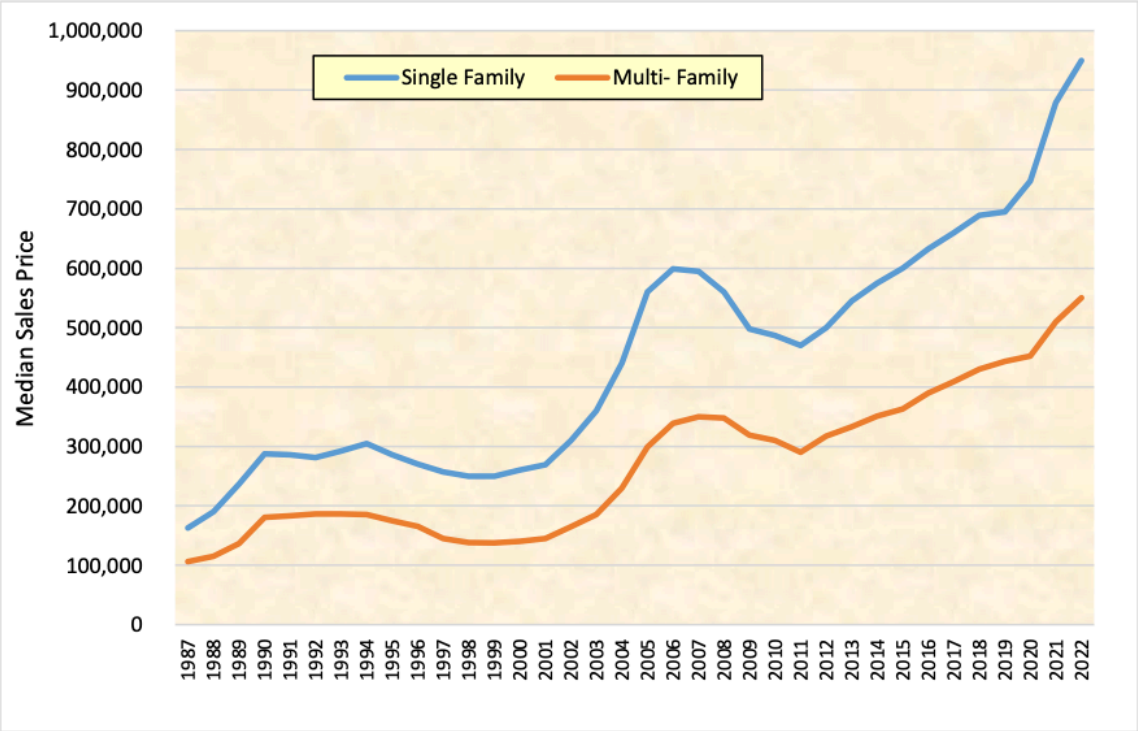
a. Sales Prices

Figure 24 shows single-family and condominium median sales prices for the State of Hawai‘i from 1987 to 2022. The last two rapid price run-ups are easily identified in the graph where housing prices more than doubled within a few years. After each period of expansion, prices dropped slightly, then stabilized. The stabilization period after 1989 and 2008 lasted for 10+ years. Condominium prices in Hawai‘i returned to their pre-recession peak by 2012, while single-family home prices recovered by 2013. Since the onset of the COVID-19 pandemic in 2020, housing prices have continued to rise steadily.

Since 2019, the median sales price of all units has increased astronomically. Within this four year period, the median sales price of single-family homes went up by 36.7%, or an average of 9.2% per year. During the same period, the median sales price of condominium units increased 24.2%, or an average of 6% per year.

[83] *2023 DHHL Beneficiary Survey*, MOV8 (applicant data only; eligible sample too small for percentage).
[84] *2023 DHHL Beneficiary Survey*, MOV9.
[85] *2023 DHHL Beneficiary Survey*, MOV12.
[86] *2023 DHHL Beneficiary Survey*, MOV13.
[87] *2023 DHHL Beneficiary Survey*.

FIGURE 24: MEDIAN SALES PRICES, STATE OF HAWAI'I, 1987-2022



Source: 2022 State Data Book Timeseries, DBEDT, Table 21.36.

Table 32 shows median sales prices for single-family homes and condominiums between 2010 and 2022. As **Figure 24** suggests, the entire period was marked by steadily increasing prices. County-level data in **Table 32** reveals varying price increases, with CCH experiencing the highest growth, particularly for single-family homes, rising from $599,950 in 2010 to $1,100,000 in 2022.

TABLE 32: MEDIAN SALES PRICES, COUNTIES AND STATE OF HAWAIʻI, 2010-2022

Year	Counties				State of Hawaiʻi
	Honolulu	Maui	Hawaiʻi	Kauaʻi	
Single Family House Median Sales Price					
2010	$599,950	$460,000	$260,000	$497,500	$487,000
2011	$579,500	$432,000	$246,450	$455,000	$470,000
2012	$625,000	$470,000	$260,000	$458,750	$500,000
2013	$650,000	$530,000	$295,000	$529,000	$545,000
2014	$673,500	$570,000	$315,000	$533,000	$575,000
2015	$700,000	$580,000	$328,000	$613,500	$600,000
2016	$735,000	$639,000	$330,000	$625,500	$632,500
2017	$760,000	$695,000	$350,000	$660,000	$660,000
2018	$790,000	$710,000	$360,000	$699,500	$689,000
2019	$790,000	$741,178	$379,000	$660,000	$695,000
2020	$830,000	$795,575	$410,500	$810,000	$747,000
2021	$995,000	$995,000	$480,000	$1,100,000	$879,000
2022	$1,100,000	$1,105,000	$500,000	$1,180,000	$950,000
Condominium Median Sales Price					
2010	$305,000	$377,500	$260,000	$270,000	$310,000
2011	$300,000	$310,000	$212,500	$237,000	$290,000
2012	$315,000	$358,000	$257,750	$290,000	$317,500
2013	$332,000	$374,000	$250,000	$310,000	$333,000
2014	$350,000	$415,000	$280,000	$346,000	$351,000
2015	$360,000	$410,000	$275,000	$360,000	$363,000
2016	$390,000	$415,000	$300,000	$399,000	$390,000
2017	$410,000	$445,000	$312,000	$435,000	$409,000
2018	$422,000	$499,857	$350,000	$461,000	$430,000
2019	$425,000	$515,000	$362,000	$574,000	$443,000
2020	$435,000	$575,000	$395,000	$555,000	$452,000
2021	$475,000	$650,000	$480,000	$612,000	$510,000
2022	$510,000	$775,000	$572,500	$712,500	$550,000

Source: *2022 State Data Book* Time Series, DBEDT, Table 21.36.

Across Hawaiʻi, the median sales price for a single-family home increased 95.1% between 2010 and 2022 (or an average of 7.3% per year). Between 2019 and 2022, the single-family sales

price rose by 36.7% (or 9.2% per year). The increase in condominium sales prices was a lower increase than single-family homes, but higher than historical at 77.4% between 2010 and 2022 (or 7% per year). Condominium sales prices between 2019 and 2022 increased by 24.2%, maintaining the 6% average annual increase.

b. Rents

As of 2022, Hawai‘i continues to have the highest average rents in the U.S., followed by the District of Columbia and New York[88]. Dramatic rent increases are not a trend unique to Hawai‘i. Rents were up for all major metropolitan areas in 2023. However, for more than a decade, Hawai‘i’s median gross rent has consistently been 40-55% higher than the national median gross rent, and Honolulu is consistently ranked near the top of America’s highest-rent cities list.

The 2024 HHPS review of rental housing prices gathered rent data from several sources and, although the sources don’t match exactly, the conclusions are the same. The HHPS analysis is based on data from ACS, HUD Fair Market Rent data, and detailed rental data from RentRange®[89] While these sources don’t align exactly due to methodological differences, their conclusions consistently point to rising rental costs across the state.

TABLE 33: MEDIAN GROSS RENT FOR ALL UNIT SIZES, COUNTIES AND STATE OF HAWAI‘I, 2010-2022

Year	Honolulu	Maui	Hawai‘i	Kaua‘i	State of Hawai‘i
2010	$1,363	$1,287	$972	$1,096	$1,291
2011	$1,419	$1,173	$920	$1,335	$1,308
2012	$1,483	$1,241	$1,027	$1,186	$1,379
2013	$1,535	$1,292	$1,017	$1,281	$1,414
2014	$1,602	$1,238	$1,094	$1,063	$1,448
2015	$1,638	$1,418	$1,107	$1,250	$1,500
2016	$1,621	$1,254	$1,170	$1,388	$1,483
2017	$1,712	$1,421	$1,107	$1,416	$1,573
2018	$1,726	$1,669	$1,126	$1,346	$1,613
2019	$1,774	$1,615	$1,215	$1,326	$1,651
2020	$1,829	$1,604	$1,272	$1,483	$1,713
2021	$1,884	$1,592	$1,328	$1,639	$1,774
2022	$1,914	$1,662	$1,292	$1,847	$1,813

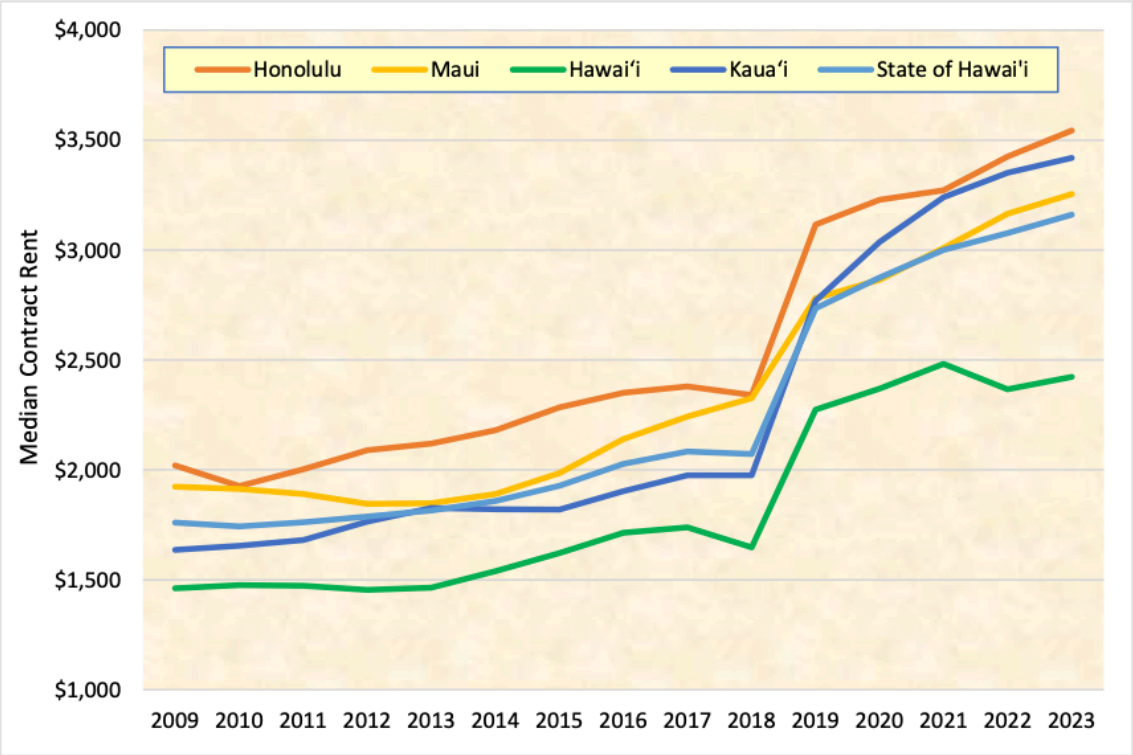
Source: ACS 1-yr estimates, Table B25064, 2010-2022. Figures in current dollars.

RentRange® data, which tracks contract rent—the base rental amount agreed upon between landlord and tenant, excluding utilities or other fees—suggest that across all types (single-family

[88] ACS, Table B25064,5-yr. estimates, for Hawai‘i, U.S., 50 States, and selected SMSAs, 2009 through 2017.
[89] RentRange®, see glossary.

and multi-family) and sizes (one-bedroom through five-bedroom) of rental units, renters in Hawai‘i are paying notably more for their accommodations now than they were just a few years ago. This trend is particularly pronounced in the City and County of Honolulu (CCH), as well as Maui and Kaua‘i Counties.

FIGURE 25: MEDIAN CONTRACT RENT, COUNTIES AND STATE OF HAWAI‘I, 2009-2023



Source: RentRange®, 2009-2023.

RentRange® data indicates that the current median contract rent for the state is 15.5% higher in 2023 than in 2019, a significant increase that outpaces inflation and wage growth in many sectors. Kaua‘i County experienced the most substantial rise over this period, with median contract rents climbing 23.5% (or an average of 4.7% per year). Maui followed with the second-largest increase, up 17% since 2019 (or 3.4% per year). These increases exacerbate affordability challenges, especially for households already spending more than 30% of their income on housing, as noted earlier in the Renter Qualifications section.

HUD’s Fair Market Rents (FMR) for Hawai‘i’s counties are benchmarks used for households that qualify for government-assisted housing. They exclude units built in the last two years, renters who have been in their units for more than two years, and those receiving housing assistance. While FMR rents are almost always lower than median contract rents, they have followed a similarly increasing trend (**Table 34**). FMR increases between 2019 and the newly released 2024 data were most dramatic for Hawai‘i and Kaua‘i counties, which had more than 50% jumps in the average FMR. Maui’s average FMR increased 22.3% between 2019 and 2024, while CCH saw only a modest 7.7% increase.

TABLE 34: AVERAGE FAIR MARKET RENT FOR ALL UNITS, COUNTIES OF HAWAIʻI, 2009-2024

Year	Counties			
	Honolulu	Maui	Hawaiʻi	Kauaʻi
2009	$1,631	$1,584	$1,160	$1,332
2010	$1,906	$1,682	$1,232	$1,414
2011	$1,904	$1,749	$1,280	$1,470
2012	$1,977	$1,625	$1,295	$1,428
2013	$2,060	$374	$1,150	$1,835
2014	$2,046	$1,318	$1,047	$1,739
2015	$2,034	$1,321	$1,268	$1,330
2016	$2,172	$1,692	$1,311	$1,503
2017	$2,233	$1,795	$1,359	$1,555
2018	$2,278	$1,848	$1,361	$1,624
2019	$2,328	$1,910	$1,354	$1,652
2020	$2,436	$1,954	$1,436	$2,087
2021	$2,328	$1,937	$1,487	$2,114
2022	$2,503	$2,123	$1,551	$2,220
2023	$2,509	$2,160	$1,863	$2,322
2024	$2,508	$2,336	$2,091	$2,520

Source: HUD, 2009-2024. Current U.S. dollars.

Key Insights:
The dramatic surge in Fair Market Rents between 2019 and 2024 was notably uneven across counties. While Honolulu saw only a modest 7.7% increase, other counties experienced dramatic jumps - Hawai'i County led with a 54.5% increase, followed by Kaua'i at 52.5%, and Maui at 22.3%. This disparity highlights growing affordability challenges, particularly in neighbor island communities.

Analyses of rents by unit type and size (**Table 35**) show that increases were common across all unit types and sizes. Between 2019 and 2023, increases in the median rent for single-family homes (15.2%) were larger than for condominium (9%) or apartment (13.5%) rental units.

TABLE 35: MEDIAN RENT BY UNIT TYPE AND SIZE, STATE OF HAWAIʻI, 2009-2023

Date	Single Family Dwellings						Condominiums					Apartments				
	1BR	2BR	3BR	4BR	5BR	All SFDs	1BR	2BR	3BR	4BR	All Condos	1BR	2BR	3BR	4BR	All Apts
2009	$1,187	$1,454	$1,933	$2,290	$2,564	$1,885	$1,197	$1,476	$1,950	$2,268	$1,723	$1,135	$1,424	$1,888	$2,241	$1,672
2010	$1,186	$1,460	$1,921	$2,307	$2,568	$1,888	$1,161	$1,453	$1,897	$2,264	$1,694	$1,097	$1,397	$1,850	$2,238	$1,646
2011	$1,204	$1,488	$1,937	$2,325	$2,585	$1,908	$1,175	$1,468	$1,914	$2,301	$1,714	$1,107	$1,412	$1,868	$2,265	$1,663
2012	$1,201	$1,508	$1,954	$2,348	$2,604	$1,923	$1,183	$1,499	$1,939	$2,353	$1,743	$1,130	$1,443	$1,893	$2,323	$1,697
2013	$1,183	$1,496	$1,951	$2,356	$2,617	$1,920	$1,194	$1,549	$1,987	$2,384	$1,778	$1,152	$1,489	$1,951	$2,384	$1,744
2014	$1,180	$1,521	$1,970	$2,398	$2,651	$1,944	$1,221	$1,602	$2,063	$2,436	$1,831	$1,175	$1,531	$2,029	$2,457	$1,798
2015	$1,209	$1,566	$2,056	$2,527	$2,762	$2,024	$1,246	$1,679	$2,156	$2,546	$1,907	$1,183	$1,595	$2,089	$2,539	$1,852
2016	$1,271	$1,634	$2,175	$2,664	$2,913	$2,132	$1,316	$1,766	$2,268	$2,665	$2,004	$1,240	$1,684	$2,209	$2,644	$1,945
2017	$1,334	$1,709	$2,252	$2,748	$3,030	$2,214	$1,387	$1,815	$2,282	$2,715	$2,050	$1,303	$1,725	$2,236	$2,688	$1,988
2018	$1,292	$1,729	$2,295	$2,742	$3,000	$2,212	$1,380	$1,868	$2,268	$2,663	$2,045	$1,276	$1,727	$2,206	$2,631	$1,960
2019	$1,502	$1,928	$2,577	$3,101	$3,508	$2,530	$1,540	$1,991	$2,604	$3,129	$2,918	$1,454	$1,898	$2,595	$3,133	$2,764
2020	$1,600	$2,037	$2,726	$3,248	$3,710	$2,681	$1,622	$2,087	$2,759	$3,312	$3,047	$1,549	$2,016	$2,776	$3,320	$2,913
2021	$1,704	$2,135	$2,854	$3,380	$3,894	$2,761	$1,716	$2,182	$2,902	$3,457	$3,175	$1,630	$2,092	$2,924	$3,467	$3,033
2022	$1,787	$2,234	$2,989	$3,511	$4,050	$2,914	$1,807	$2,323	$3,076	$3,599	$3,180	$1,703	$2,198	$3,037	$3,586	$3,138
2023	$1,844	$2,311	$3,085	$3,586	$4,163	$2,998	$1,860	$2,364	$3,150	$3,694	$3,252	$1,767	$2,284	$3,152	$3,699	$3,231
% change 2019-2023	22.70%	19.80%	19.70%	15.60%	18.70%	18.50%	20.80%	18.70%	20.90%	18.10%	11.40%	21.50%	20.40%	21.50%	18.10%	16.90%
average annual % change 2019-2024	4.50%	4.00%	3.90%	3.10%	3.70%	3.70%	4.20%	3.70%	4.20%	3.60%	2.30%	4.30%	4.10%	4.30%	3.60%	3.40%

Source: RentRange®, 2009-2023. Figures are current U.S. dollars. Further details are shown in Tables D-2 through D-6 in the Appendix.

Median rent for two-bedroom single-family dwellings and two-bedroom apartments increased by 15.8% from 2019 to 2023. The monthly rent for a two-bedroom condominium unit increased by 16.7% during the same period, rising from $1,991 to $2,364. While wages have also increased during this period, with the average renter wage growing from $17.17 to $24.37 per hour, the "housing wage" needed to afford a typical two-bedroom rental without being cost-burdened has grown even faster, from $32.21 to $41.83 per hour. This growing disparity between wages and housing costs means many Hawai‘i residents are falling further behind in their ability to afford housing (**Table 36**). Median rent for two-bedroom single-family dwellings and two-bedroom apartments increased by 15.8% from 2019 to 2023. The monthly rent for a two-bedroom condominium unit increased by 16.7% during the same period. Similarly, the median rent for four-bedroom single-family units increased by $485 (13.2%) between 2019 and 2023. In the same period, median rent for a four-bedroom condominium unit increased by $565 (15%).

TABLE 36: HOUSING COSTS VS. WAGES IN HAWAI‘I, 2019-2023

Year	Median 2 BR Rent*	Required Housing Wage**	Average Renter Wage**	Wage Gap
2019	$1,991	$32.21	$17.17	$15.04
2020	$2,087	$37.31	$18.41	$18.90
2021	$2,182	$39.75	$20.68	$19.07
2022	$2,323	$40.63	$22.13	$18.50
2023	$2,364	$41.83	$24.37	$17.46

Source: *RentRange®, 2009-2023. **NLIHC Out of Reach Reports.

Key Insights: Current Housing Situation In Hawai‘i

- **Housing Stock (2022):** 568,058 total units, with 91.0% (516,242) available; only 3.8% (21,415) vacant and available, signaling a critically tight market.
- **Seasonal Units Drain Supply:** 35,884 units (6.3%) are seasonal, up 5.1% since 2017, reducing resident access; counties like Kaua‘i (22.3%) and Hawai‘i (15.1%) hit hardest.
- **Population Decline vs. Demand Surge:** State population fell 0.2%-0.5% annually since 2019 (-20,136 by 2023), yet households grew 8.7% (2010-2022) vs. 5.5% population growth, driven by smaller households (2.84 avg. size).
- **Outmigration Crisis:** 40,000 households (8% of total) plan to leave within 5 years; 60.8% cite housing costs, with Honolulu losing 27,099 residents (2020-2023).
- **External Pressure:** Out-of-state buyers took 24.6% of 2022 sales ($6.12B), paying 63.2% more than locals, inflating prices and reducing local stock.
- **Native Hawaiian Needs:** DHHL-eligible households (24,188) show 39.2% effective demand, favoring single-family homes (75.7%-78.2%), but affordability gaps persist (70% can’t meet market rates).
- **Affordability Gap:** Median single-family home price up 36.7% since 2019 ($1,050,000 in 2022); only 28% of buyers qualify, while rents ($2,998-$3,231) outpace wages ($24.37/hr vs. $41.83/hr needed).

III

NEEDED HOUSING UNITS

III. NEEDED HOUSING UNITS

The Hawai‘i Housing Planning Study (HHPS) has, since 2003, focused on estimating "Needed Units"—the number of homes required to satisfy housing demand for residents within the state, excluding non-residential units. This metric is a critical tool for housing professionals tasked with managing development to meet local needs. The 2024 HHPS estimates a need for 64,490 housing units by 2027, a 28.6% rise from the 50,156 units projected for 2020–2025 in the 2019 study. This increase stems from an updated methodology using 2022 ACS data, revised DBEDT population projections, and enhanced market analysis, which now accounts for broader demand—including market swap space—and adjusts for units already in the development pipeline.

This chapter outlines the methodology in two steps:

1. Measuring the housing surplus or shortage
2. Estimating the units needed to achieve market equilibrium

Comparison to 2019 Estimate
The 2019 HHPS estimated a need for 50,156 units (2020–2025), based on DBEDT's intermediate population projection (18,078 units), a Housing Demand Survey capturing unmet demand (28,459 units), and 3,619 units for homeless populations, adjusted for pipeline units. In contrast, the 2024 study calculates a baseline shortage of 62,750 units using 2022 ACS data, adds 14,408 units for population growth (DBEDT, 2023–2027), 803 units for market swap space, and subtracts 13,471 pipeline units, yielding a total of 64,490 units needed by 2027. Enhanced survey depth, recognition of expiring subsidies (e.g., 1,056 units by 2025), and adjustments for pent-up demand and interstate migration contribute to the higher estimate, reflecting Hawai‘i's persistent housing challenges more comprehensively.

A. MEASURING A HOUSING SURPLUS OR SHORTAGE

Before 2019, widely accepted, comprehensive models for measuring needed units did not exist. There were no well-defined measures of housing surplus/shortage[90], even though housing shortages were mentioned frequently. Since then, about a dozen measures of housing shortage have appeared in the literature[91]. The new measures differed widely in their computational methods and produced shortage estimates that ranged from 1.6 million[92] to 20.3 million[93] nationwide. The range for Hawai‘i was 0.08[94] to 36.1%[95] of housing stock.

[90] An exception is the CCH Department of Planning and Permitting, Annual Report, FY 2004. This report, prepared by Steven Young, used a supply and demand model with a correction for scheduled production.
[91] See Freddie Mac (Khatak et al., 2021); Up for Growth (Nylen, 2022); Joint Economic Committee (Corinth and Dante, 2022); National Association of Realtors (Rosen Consulting Group, 2021); CORE (Counselors on Real Estate, 2020); National Low-Income Housing Coalition (2021); and Fannie Mae (Betancourt et al., 2020.
[92] Counselors On Real Estate, op. cit.
[93] Joint Economic Committee, op. cit.
[94] Counselors On Real Estate estimated 0 and reported it as less than 1,000 needed units.
[95] Op. Cit. They predicted a total of 199,177 needed units for Hawai‘i.

Critical reviews[96] found that the problems with existing models of housing shortage stem from the data they use. Using the most readily available data can cause reliability issues – the data do not measure what we said we would measure. For example, some models use total housing units (THU) to estimate supply and households to stand for demand. Those who have worked with housing data know the problems here. THU includes units unavailable to buyers and renters in the market, and households exclude some people in need of a housing unit, including homeless persons, persons with special needs, and those doubled up in occupied housing units.

The HHPS model for estimating a housing surplus/shortage begins with the procedures used since 2003 and borrows from several new housing shortage procedures, including Freddie Mac[97], Joint Economic Committee (JEC)[98], Up for Growth model[99], and procedures developed by the CCH Department of Planning and Permitting[100].

In theory, the model should deal with supply, which is defined as the number of residential housing units that are available and suitable for fulfilling housing demand. Demand should be the number of households that occupy or want to occupy a housing unit within the market area. As expected, there was no suitable measure of supply or demand as defined by those definitions.

Developers of shortage measures approach this problem by choosing a well-grounded surrogate for supply and demand and adjusting those estimates. They prune or expand crude measures to make them more exact surrogates for the supply and demand they need. Critics agree that two of these adjustments are rarely used and are likely to be the source of the most significant distortion – pent-up demand and interstate migration. We will address both below.

As the project RFP established that HHPS results would be reconciled with Census Data, the research team took the ACS 1-year estimate of occupied housing units in 2022 as the initial or crude supply estimate. Similarly, the crude demand estimate was the ACS 1-year estimate of households.

The final result was adjusted for supply issues, including vacant units, demolitions, and short-term scheduled construction. The demand estimates were adjusted for pent-up demand, interstate migration, persons experiencing homelessness, and residential public service programs[101] The steps in the HHPS shortage measurement procedures are presented in **Table 37**.

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[96] For example, Salim Furth (2022), Daniel Herriges (2021), Brian Potter (2022), and Nick Gerli (2021).
[97] Khatar, Sam, Len Lieter, and Venkataramana Tanamandra. 2020. The housing supply shortage: State of the States. Freddie Mac, Economic & Housing Research Note, February 2, 2020.
[98] Joint Economic Committee (JEC). 2022. The Houses Act: Addressing the national housing shortage by building on federal land, U.S. Congress, Joint Economic Committee, August 2022.
[99] Nyren, Ron. 2022. Reversing the U.S. housing shortage, Urban Land: Economy, Market & Trends, August 23, 2022.
[100] CCH DPP. 2021. *Annual Report on the Status of Land Use on Oahu: Fiscal Year 2020,* City and County of Honolulu, Department of Planning and Permitting, July 2021.
[101] Other factors like visitor rental units, out-of-state homeownership, military housing, and substandard housing units were not part of the estimating procedure. They are treated later in this report.

TABLE 37: ESTIMATING HOUSING SURPLUS/SHORTAGE STATE OF HAWAIʻI, 2023 - 2027

Step	Estimating Housing Supply	State		Comment
1	Occupied Housing Units		494,827	2022 total occupied housing unit, ACS 1-yr. estimate.
2	Actual Vacant and Available Units*	+	21,415	Add 2022 vacant & available units, ACS 1-yr. estimate.
3	Demolitions	-	160	Subtract approved residential unit demolitions, DBEDT Data Book Table 21.07.
4	*Adjusted Housing Supply for Residents*		*516,082*	The result is the adjusted housing supply at the end of 2022: Housing Stock.
	Estimated Housing Demand			
5	Occupied Housing Units		494,827	2022 total occupied housing units, ACS 1-yr. estimate.
6	Pent-Up Demand	+	54,998	Add pent-up demand estimate from *Housing Demand Survey 2022*.
7	Homeless Households Re-entering the Private Housing Market	+	744	Add estimated market units needed to accommodate homeless households. 2022.
8	Residential Public Service Program Households Re-entering the Private Housing Market	+	700	Add estimated market units needed to accommodate residential public service program graduates, 2022.
9	Vacant & Available Units Needed for Market Function	+	27,563	Add vacant and available units needed for swap space using standard 5%.
10	*Adjusted Housing Demand for Residents*		*578,832*	The result is the adjusted housing demand at the end of 2022, units for residents.
	Calculating Housing Surplus/Shortage			
11	Adjusted Housing Supply for Residents		516,082	Adjusted Housing Supply from line 4
12	Adjusted Housing Demand for Residents	-	578,832	Adjusted housing Demand from line 10
13	*Housing shortage*		*-62,750*	Supply minus demand. A negative number indicates a housing shortage at the end of 2022.
	Calculating Needed Housing Units			
14	Housing Shortage		62,750	Housing Shortage from line 11
15	Demand due to Population Change	+	14,408	Add housing units to accommodate new households moving to Hawaiʻi, DBEDT 2023 through 2027.
16	Demand for Vacant & Available Units	+	803	Add vacant units needed for market function, DBEDT 2023 through 2027.
17	Units in the Pipeline	-	13,471	Subtract housing units scheduled for completion between 2023 and 2027.
18	***Total Needed Units***		64,490	The result is the number of units needed to eliminate the housing shortage and accommodate new resident households through 2027.

[a] Vacant units available for residential use (For Sale, Sold, Not Occupied, For Rent, and Rented, Not Occupied).

* The loss of housing units in Maui County due to the fires is not included in the current demand estimates.

As is described in further detail in the sections below, Hawai‘i continues to see a significant Housing Shortage of 64,490 units (Line 18) to meet the housing demand of current residents. This represents the number of units needed to address current and pent-up demand through the end of 2022.

1. Estimating Housing Supply

Table 37 lists the steps of our estimating procedure, data, and sources. The first section shows how supply was estimated to calculate the housing shortage. Beginning with the total number of occupied housing units, the number of vacant and available units was added, and the number of demolished units was subtracted. The result was an estimated 516,082 units available to manage housing production. This number is also called the adjusted housing supply (**Table 37**, Step 4).

Thus, we arrive at an adjusted estimate of housing supply -- the number of units housing professionals have to work with. Occupied housing units represent a unit of supply, and existing home sales are drawn from the occupied units. Vacant and available units are sometimes called "swap space" (units used to facilitate the transfer of properties within a housing market). ACS classifications measure them as vacant for sale, sold but not yet occupied, vacant for rent, and rented but not yet occupied. HHPS refers to the combination of these four categories as “vacant and available housing units”.

The remaining vacant units were classified by the Census as vacant and held for seasonal or occasional use, vacant and held for use by migratory agricultural workers, and "other" vacant units. These units are relevant to housing analysis and housing production. But they are not within our target audience’s interest as they are not housing for residents. The 2024 HHPS treats those units elsewhere.

The final step is to remove the units registered by the State as demolished in 2022.

2. Estimating Housing Demand

The estimation procedure for adjusted demand began with households, the most basic measure of demand under current market conditions. This suits our definition of households occupying or needing a housing unit. The data came from the ACS 1-year estimate of the number of households.

The 2024 model incorporates pent-up demand in Step 6, sourced from the *2022-2023 Housing Demand Survey*. This reflects households with individuals or groups unable to secure their own unit due to affordability constraints. In 2022, pent-up demand totaled 54,998 households, or 9.9% of all households.

In steps 7 and 8, estimates are added for the number of units needed to accommodate households transitioning from homeless programs to market housing and those transitioning from residential public service programs.

Estimating units needed to accommodate households re-entering the housing market from homeless and residential public service programs was more difficult. The records these programs keep use slightly different definitions for the number of cases that result in persons being "housed." It was not being "housed" that concerned us here; we only needed to know whether the final status of the case would require a new unit. Cases returning, or seeking to return, to the home of family or friends, and those referred to permanent supporting housing would not require a new unit. In 2024, this resulted in a need for about 1,444 new units. The estimate is considerably lower than reported in HHPS 2019, and is a conservative approximation of actual housing needs. Expanded discussion for future integration into the model is included in VII. Housing Needs of Government Program Clients.

3. Calculating Housing Surplus/Shortage

The third section of **Table 37** shows how the housing surplus or shortage measure was calculated by subtracting the adjusted demand estimate from the adjusted supply estimate. The negative sign indicates a housing shortage, which was estimated to be 62,750 housing units at the end of 2022.

The 62,750-unit housing shortage was 12.2% of the statewide housing stock. Our shortage estimate is much lower than the JEC estimate but higher than all the other estimates for Hawai‘i. That is essentially the result of the adjustment for pent-up demand and swap space. 2024 is the first year swap space units are included as needed units in the model.

In addition to the 64,490 housing units needed to address the housing shortage at the end of 2022, an additional 14,408 housing units will be needed to address demand from population increase between 2023 and 2027. Additionally, 803 vacant units will be needed between 2023 and 2027 to provide the necessary swap space for the housing market to function. That results in the need for 77,961 housing units by the end of 2027.

Fortunately, a portion of these needed units are already in the planning and production stages, commonly referred to as "units in the pipeline". These units were estimated by planners at each county to include those units being built by 2027 and intended for housing current or future residents. Current estimates indicate that 13,471 housing units are in the pipeline and scheduled to be completed by the end of 2027. With these 13,471 housing units becoming available, they can potentially address 17.3% of the total units needed through the end of 2027.

B. HOUSING UNITS NEEDED TO MEET HOUSING DEMAND

In **Table 38**, we estimate the number of needed units. As in the past, estimates are provided for the five years following the study, in this case, 2023 through 2027, inclusive.

TABLE 38: ESTIMATING HOUSING SURPLUS/SHORTAGE STATE OF HAWAIʻI SUMMARY, 2023-2027

	Calculating Needed Housing Units			Comment
	Housing Shortage		62,750	Housing shortage from line 13 (Table 37).
11	Demand due to population change	+	14,408	Add housing units needed to accommodate new households moving to Hawaiʻi, DBEDT 2023 through 2027.
	Demand for vacant & available units	+	803	Add vacant units needed for market swap space, DBEDT 2023–2027.
12	Units in the pipeline	-	13,471	Subtract housing units scheduled for completion between 2023 and 2027
	Total Needed Units		**64,490**	The result is the number of units needed to eliminate the housing shortage and accommodate new resident households through 2027.

Note: The loss of housing units in Maui County due to the fires is not included in the current demand estimates.

1. The Shortage

Beginning from the housing shortage number involves two critical underlying assumptions. The first is the implied intention to eliminate the shortage in the first five years. The second is the intention to supply a housing unit for every household needing one. Both assumptions represent aggressive housing policy. Both are optional for the housing model proposed here. But both assumptions have been discussed with project sponsors since 2003, and they reflect their objectives.

The research team debated the inclusion of units that are on the market for sale or rent. As was described earlier, in any market there is some percentage naturally unavailable while being sold or rented. However, these numbers vary and are potentially available for use, which is seen in some jurisdictions as housing markets become more compressed. In 2022, Hawaiʻi had 21,415 units currently included in line 2 that fit into that category. Through discussion with state researchers and literature reviews of similar jurisdictions, the 2024 HHPS determined to add back into demand (line 9) the units that would be needed to accommodate this need for swap space. While this 5% of the market does not represent households, it represents the accepted need for 5 vacant units for every 100 in the market that will naturally be empty at a given moment as people move in and out due to rental or sale.

2. Net Population Change

The authoritative source for housing demand projections due to population change is DBEDT's *Hawai'i Housing Demand 2025-2035* report.[102] It presents the updated number of housing units required to fill the housing demand caused by population change.

The DBEDT projection estimates 14,408 units needed by 2027, reflecting population changes from births, deaths, and net migration (foreign and domestic). This five-year figure (2023–2027), derived from the broader 2025–2035 *Hawai'i Housing Demand* report, covers demand for occupied and vacant units, excluding non-resident demand. To arrive at a demand estimate appropriate to the HHPS model, DBEDT helped to develop the estimates shown in **Table 37**: 14,408 housing units for residents from 2023 to 2027, plus an additional 803 units needed for additional swap space for those residents.

3. Adjustment for Scheduled Construction

Finally, housing professionals are interested in how many more housing units need to be built to reach a standard or an objective beyond those already being developed. They are looking toward the job ahead and will set their policy and program priorities accordingly. That would involve identifying units remaining after removing those scheduled for construction in the next five years.

Recent data on approved housing projects at state and county levels estimates what is in the pipeline. It established that 13,471 housing units will be developed between 2023 and 2027. Accepting that number for the model involves the assumption that all those scheduled units will be constructed by the end of 2027. Although opinions differ on this matter, this is the premise accepted for the purpose of HHPS estimates.

In addition to the 13,471 scheduled for completion between 2023 and 2027, 21,303 units are expected to be completed after 2027.

4. Calculate Needed Units

The 13,471 pipeline units were subtracted from our estimate of units needed to supply the housing demand in that period, the first HHPS that pipeline units are included in housing shortage calculation The result was an estimated 64,490 Needed Units net of scheduled construction, or approximately 12.5% of total housing stock in 2022.

These estimates do not include the impact of units lost to Maui County due to the fires in August 2023. While there is not yet an official count of the number of housing units lost on Maui, it has

[102] DBEDT Research and Economic Analysis Division. *Hawai'i Housing Demand 2025-2035*. March 2024.

been estimated to be at least 2,200 housing units (representing about 4% of the total housing stock for Maui County).

The Needed Units estimate is founded on ACS data and modified using the *2022-2023 Housing Demand Survey* data. As a result, total housing units and household characteristics can be developed for owned and rented units, single-family and multi-family units, price ranges, and occupied and vacant units. Separate procedures were followed for the State and each of the four counties.

C. CHARACTERISTICS OF NEEDED UNITS

The estimation procedures described to this point show that, by the end of 2022, Hawai‘i had a housing shortage of 62,750, including pent-up demand in the domestic market (**Table 37/38**). According to the *Hawai‘i Housing Demand Study 2025-2035*, the demand created by population change dictated a need for 14,408 additional units to meet demand from new residents and 803 units to provide necessary vacant and available units to accommodate the additional households. State and county estimates for units scheduled for construction, the so-called “pipeline” of 13,471 new units, were subtracted from the overall shortage, changing our definition to additional units needed to bring supply and demand into equilibrium. The total number of units from 2023 through 2027 is **64,490**.

As in past HHPSs, the supply and demand characteristics (geography, tenure, type, and price range) for the initial supply and demand estimates were available in ACS and PUMS data. The *2022-2023 Housing Demand Survey*[103] data was used to estimate the characteristics of needed units.

The *2022-2023 Housing Demand Survey* helped identify households needing a housing unit within the next five years. Those households comprised a defined segment of the sample that matches the characteristics of the units in our estimate of the housing shortage shown in **Table 37**. *The Housing Demand Survey* also asked the respondent households if they would be moving to a new home and, if so, when. It asked where they wanted to live (provided a choice between Hawai‘i or elsewhere), the price range they could afford, whether they would own or rent their next unit, and the type of unit they would accept (e.g. single-family or multi-family, number of rooms).

[103] The *2022-2023 Housing Demand Survey* was a probability sample of Hawai‘i households designed to measure the housing conditions, needs, qualifications, and preferences of Hawai‘i households in 2022. The sample size was 5,432 completed interviews, and the margin of error was plus-or-minus 4.9 percentage points at the 95% confidence level. It was conducted without incident and provides a reliable description of Hawai‘i’s housing market at the end of 2022. Survey completions were relatively low in certain remote areas on neighbor islands. In order to lower the margin of error in these areas, the future HHPS might explore opportunities to increase participation.

It also asked if others in the household would move to their own unit if it were economically feasible. This was a crucial element in our estimate of pent-up demand. These and many other facts relative to housing demand have been gathered in HHPS surveys since 1992, allowing HHPS to have longitudinal tracking data. We leveraged the survey sample's attributes to define the types of housing units needed.

Some elements of the procedure were available at a different level of detail than the *2022-2023 Housing Demand Survey* data. Data was used from the programs for homeless and residential public service program graduates to establish that all graduates would need very low-income, multifamily rental housing. The *2022-2023 Housing Demand Survey* data was used for immigrant households who had been in Hawai'i for less than five years in 2022 to estimate demand due to population change.

Table 39 shows the characteristics of needed units in Hawai'i from 2023 through 2027. Each cell contains the number of housing units required to fill the housing demand for a specific housing type, e.g., single-family rental units at prices suited to people with household incomes between 30% and 50% of the area median income (AMI) as determined by HUD. First, note these are demands-adjusted supply figures. The supply figures have also been adjusted for pent-up demand, population change, and scheduled construction.

The needed units estimate for the whole State is 64,490 housing units, 46.5% ownership units, and 53.5% rentals; 71.9% single-family and 28.1% multi-family; with primary demand on the lower end of the AMI scale. The pattern is not significantly different from what we found in past HHPS. Essentially, addressing the Housing Shortage will require focused attention towards new units of housing affordable to households earning less than 80% AMI. As higher income households can drive up averages, it is important to note that 73% of Hawai'i households earn 80% or less AMI.[104]

Distribution by county is more varied (**Table 39**). The largest number of needed units was found in the City and County of Honolulu (25,710 units; 4.3% of current housing stock), followed by Hawai'i County (18,879 units, 23.8%of current housing stock). Approximately 14,987 units are needed for Maui County (24.9% of current housing stock) and Kaua'i County needs 4,914 housing units (19.8% of current housing stock). The patterns of shortage and surplus within each county are quite different. For example, Honolulu data show large differences in price and tenancy while Maui's data are more consistent, suggesting shortages for all types of units. Across all counties, however, the need for units is greatest for the lower AMI levels. Please note that some columns may not add up exactly due to rounding.

[104] National Low Income Housing Coalition, available at: https://nlihc.org/gap/state/hi.

TABLE 39: HOUSING UNITS NEEDED BY TENANCY, TYPE, AND PRICE SEGMENT, STATE OF HAWAIʻI, 2023-2027

	Total Units Needed, 2023 through 2027								
	HUD Income Classification								
	LT30	30 to 50	50 to 60	60 to 80	80 to 120	120 to 140	140 to 180	180+	Total
State of Hawaiʻi	17,242	11,166	4,589	9,103	8,547	4,396	4,346	5,101	**64,490**
Ownership Units	4,808	3,539	2,175	5,863	5,196	3,059	2,660	2,687	29,987
Single-Family	3,980	2,738	1,627	4,450	3,655	2,782	2,629	4,037	25,898
Multi-Family	828	801	550	1,413	1,540	277	32	-1,350	4,091
Rental Units	12,435	7,625	2,415	3,240	3,351	1,337	1,685	2,413	34,501
Single-Family	6,288	4,035	1,588	3,030	1,951	1,121	912	1,557	20,482
Multi-Family	6,149	3,591	827	210	1,398	215	773	855	14,018
Honolulu	7,314	4,912	1,869	4,581	4,036	1,201	1,907	-110	**25,710**
Ownership Units	1,442	1,483	1,036	2,992	2,483	949	1,011	-1,109	10,287
Single-Family	871	920	682	2,006	1,459	972	1,381	692	8,983
Multi-Family	571	563	354	986	1,024	-23	-370	-1,801	1,304
Rental Units	5,873	3,428	833	1,589	1,553	251	896	999	15,422
Single-Family	2,174	1,054	335	1,012	603	302	447	624	6,551
Multi-Family	3,699	2,374	498	577	950	-52	449	375	8,870
Maui	3,129	2,186	1,086	1,895	1,563	1,208	1,472	2,448	**14,987**
Ownership Units	890	672	292	1,084	914	922	984	1,665	7,423
Single-Family	858	616	168	887	733	769	754	1,433	6,218
Multi-Family	32	56	124	197	181	153	230	232	1,205
Rental Units	2,239	1,514	794	811	649	286	488	782	7,563
Single-Family	1,294	1,040	517	871	496	279	282	441	5,220
Multi-Family	945	475	277	-60	152	7	206	341	2,343
Hawaiʻi	5,323	2,983	1,388	2,176	2,564	1,461	742	2,242	**18,879**
Ownership Units	1,928	985	723	1,562	1,664	974	520	1,765	10,121
Single-Family	1,815	872	656	1,375	1,352	830	293	1,461	8,654
Multi-Family	113	113	69	187	311	144	227	304	1,468
Rental Units	3,395	1,997	665	614	900	487	222	478	8,758
Single-Family	2,146	1,422	586	761	666	324	174	380	6,459
Multi-Family	1,250	575	79	-147	234	163	48	97	2,299
Kauaʻi	1,476	1,085	246	451	384	526	225	521	**4,914**
Ownership Units	548	399	124	225	135	214	145	366	2,156
Single-Family	436	330	121	182	111	211	201	451	2,043
Multi-Family	112	69	3	43	24	3	-55	-85	114
Rental Units	928	686	123	226	249	313	79	154	2,758
Single-Family	674	519	150	386	186	216	9	112	2,252
Multi-Family	255	167	-27	-160	62	97	70	42	506

Table 39A collapses the AMI categories to demonstrate the need by larger market categories, demonstrating that 65% (42,100) of all units needed are for units affordable to the 73% of Hawai‘i households earning 80% AMI and below.

TABLE 39A: SUMMARIZED HOUSING UNITS NEEDED BY TYPE, AND PRICE SEGMENT, 2023-2027

	80% AMI and Below	80% - 140% AMI	140% AMI and Above	Total
State of Hawai‘i	**42,100**	**12,943**	**9,447**	**64,490**
Ownership	16,385	8,255	5,347	29,987
Rental	25,715	4,688	4,098	34,501
C&C of Honolulu	18,676	5,237	1,797	25,710
Ownership	6,953	3,432	-98	10,287
Rental	11,723	1,804	1,895	15,422
Maui County	8,296	2,771	3,920	14,987
Ownership	2,938	1,836	2,649	7,423
Rental	5,358	935	1,270	7,563
Hawai‘i County	11,870	4,025	2,984	18,879
Ownership	5,198	2,638	2,285	10,121
Rental	6,671	1,387	700	8,758
Kaua‘i County	3,258	910	746	4,914
Ownership	1,296	349	511	2,156
Rental	1,963	562	233	2,758

In addition to the *2022-2023 Housing Demand Survey*, the HHPS also conducted a *2023 DHHL Beneficiary Demand Survey* among DHHL applicants, those individuals currently on the waitlist. The research team also reviewed the *2020 DHHL Beneficiary Study*. To note, the waitlist is composed of individuals, while the HHPS is based upon household estimates, so some consideration should be taken when comparing insights. The DHHL-eligible data combines *HHPS 2022-2023 Housing Demand Survey* respondents reporting at least one native Hawaiian household member with responses from the DHHL applicant waitlist, weighted to reflect the general state population. This introduces methodological differences that should be considered, and the research team recommends against trying to compare them to the statewide figures with a separate methodology.

8,508 units are needed by 2027 for DHHL-eligible households, who intend to move in the next five years. It should be noted that if more units were likely to be available, more households would likely be interested in moving. The preference for those that plan to move in the next five years is heavily driven toward single-family homes on Hawai‘i Island. Among 996 respondent DHHL applicants, 58.4% prefer Hawai‘i Island, and among 87 eligible households, 87.5% favor it, contrasting with only 10.9% of applicants choosing O‘ahu.[105] Both groups overwhelmingly prefer single-family homes (75.7% of applicants, 78.2% of eligible households), with 3-bedroom, 2-bathroom units ideal (39.2% and 52.2%) though 2-bedroom, 2-bathroom units are acceptable (33.5% and 42.7%).[106]

Tenure preferences lean toward ownership, with 49% of applicants and 57.5% of eligible households planning to buy, suggesting 55% of these units (approximately 4,969) should target buyers.[107] This concentrated demand justifies increasing Hawai‘i County’s share beyond the 18,879 units currently estimated, potentially by 5,000–6,000 units, assuming 60%–70% of the 8,508 (5,105–5,956) align with this geographic preference.[108] However, due to limitations on estimating the pipeline for this segment, the 8,508 figure uses a distinct methodology from the statewide 64,490 units and is not a direct subset, reflecting short-term needs rather than the total waitlist demand of 20,323 households. These units, reflecting short-term needs due to DHHL award delays, could leverage existing seasonal stock (Section II.A) to deliver affordable, turn-key homes for Native Hawaiian beneficiaries.

[105] Source: *2022-2023 Housing Demand Survey*, MOV3 (58.4% of 996 applicants and 87.5% of 87 eligible households prefer Hawai‘i Island; 10.9% of applicants prefer O‘ahu).
[106] Source: *2022-2023 Housing Demand Survey*, MOV7 (75.7% of applicants and 78.2% of eligible households prefer single-family homes), MOV10 (39.2% of applicants and 52.2% of eligible prefer 3 bedrooms; 41.9% of applicants and 47.4% of eligible prefer 2 bathrooms), MOV11 (33.5% of applicants and 42.7% of eligible accept 2 bedrooms; 48% of applicants and 47.4% of eligible accept 2 bathrooms).
[107] Source: *2022-2023 Housing Demand Survey*, MOV5 (49% of applicants and 57.5% of eligible households plan to buy); 55% derived as approximate average.
[108] Source: *HHPS 2024*, p. 15 (8,508 units for DHHL-eligible households); *2022-2023 Housing Demand Survey,* MOV3 data suggests 60%–70% (5,105–5,956) for Hawai‘i Island, exceeding current Hawai‘i County allocation of 18,879 units.

TABLE 39B: ESTIMATED LOCATIONAL NEEDS FOR DHHL-ELIGIBLE HOUSEHOLDS

Location	Units Needed (2023–2027)	% of Units	Households on Waitlist	% of Households
Hawai‘i Island	4,969	58.40%	11,869	58.40%
Honolulu County	927	10.90%	2,215	10.90%
Maui County	1,625	19.10%	3,886	19.10%
Kaua‘i County	655	7.70%	1,557	7.70%
Out-of-State (Unallocated)	332	3.90%	796	3.90%
Total	***8,508***	***100%***	***20,323***	***100%***

Note: Percentages are based on stated preferences (58.4% for Hawai‘i Island, 10.9% for Honolulu County). Maui and Kaua‘i allocations are estimated using current residency proportions of applicants (14.05% in Maui, 5.62% in Kaua‘i). Out-of-state applicants’ preferences are unallocated, and their inclusion assumes they follow the same preference distribution as in-state applicants. The 8,508 units needed, detailed further in Table 39C, reflect near-term demand and are calculated using a distinct methodology due to limited data (e.g., lack of DHHL pipeline unit data), making them not a direct subset of the statewide 64,490 units. A more detailed island-by-island breakdown would benefit from additional data on specific preferences for out-of-state applicants and those currently residing in Maui and Kaua‘i.

TABLE 39C: HOUSING UNITS NEEDED FOR DHHL-ELIGIBLE HOUSEHOLDS BY TENANCY, TYPE, AND PRICE SEGMENT, STATE OF HAWAIʻI, 2023-2027

	Total Units Needed, 2023 through 2027								
	HUD Income Classification								
	LT30	30 to 50	50 to 60	60 to 80	80 to 120	120 to 140	140 to 180	180+	Total
State of Hawai'i	1,348	1,407	362	1,672	1,356	689	826	848	**8,508**
Ownership Units	404	496	519	537	774	614	548	758	4,650
Single-Family	333	470	430	472	651	532	534	722	4,144
Multi-Family	71	26	89	65	123	82	14	36	506
Rental Units	944	911	-157	1,135	582	75	278	90	3,858
Single-Family	785	550	-216	739	363	-54	142	-102	2,207
Multi-Family	159	361	59	396	219	129	136	192	1,651
Honolulu	751	897	157	1,143	637	380	608	504	**5,077**
Ownership Units	245	267	315	355	488	373	295	483	2,821
Single-Family	207	258	254	306	401	301	282	470	2,479
Multi-Family	38	9	61	49	87	72	13	13	342
Rental Units	506	630	-158	788	149	7	313	21	2,256
Single-Family	406	379	-65	525	42	-31	142	-87	1,311
Multi-Family	100	251	-93	263	107	38	171	108	945
Maui	151	150	67	132	254	143	66	78	**1,041**
Ownership Units	43	47	82	41	74	82	101	78	548
Single-Family	22	36	56	35	76	73	103	57	458
Multi-Family	21	11	26	6	-2	9	-2	21	90
Rental Units	108	103	-15	91	180	61	-35	0	493
Single-Family	80	75	-55	0	53	69	0	0	222
Multi-Family	28	28	40	91	127	-8	-35	0	271
Hawai'i	381	247	114	349	408	95	103	206	**1,903**
Ownership Units	79	140	123	123	167	116	151	132	1,031
Single-Family	66	137	120	112	152	114	148	129	978
Multi-Family	13	3	3	11	15	2	3	3	53
Rental Units	302	107	-9	226	241	-21	-48	74	872
Single-Family	299	29	-96	214	268	-92	0	-15	607
Multi-Family	3	78	87	12	-27	71	-48	89	265
Kaua'i	66	115	24	49	54	71	49	59	**487**
Ownership Units	39	43	0	19	41	43	0	64	249
Single-Family	40	39	0	19	21	44	0	66	229
Multi-Family	-1	4	0	0	20	-1	0	-1	21
Rental Units	27	72	24	30	13	28	49	-5	238
Single-Family	0	68	0	0	0	0	0	0	68
Multi-Family	27	4	24	30	13	28	49	-5	170

Note: The 8,508 units represent the projected need for DHHL-eligible households from 2023 to 2027, derived from a combination of the *HHPS 2022-2023 Demand Survey* respondents reporting 50%+ Native Hawaiian household members and responses from DHHL's applicant waitlist (20,323 households). This figure is not a direct subset of the statewide 64,490 units due to differences in data sources and calculation methods, including a weighting system based on the general state population and the lack of DHHL pipeline unit data. The 8,508 units reflect near-term demand for households planning to move within five years, whereas the full waitlist represents total potential need. For a detailed explanation, see the 'General Characteristics' section.

1. General Characteristics

Overview of the Housing Market
The Hawai‘i housing market is complex, characterized by high demand, high prices, low production, and low inventory levels. Housing shortage numbers are volatile, making planning and policy-making challenging. Until recently, data on supply-adjusted demand for homes has not been available, further complicating efforts to address the crisis.

Distribution of Housing Need by Income and Type
The greatest housing need is at the low end of the market, particularly for households earning below 50% of the Area Median Income (AMI), consistent with previous studies. Over a quarter of the needed units (26.7% or 17,242 units) are for households earning 30% AMI or below. Members of this income group tend to be seniors on fixed income, single parents, those earning near the minimum wage, and individuals experiencing homelessness.

In contrast, the need is much less at the high end, with surpluses for some unit types in higher AMI ranges. Past studies couldn't accurately estimate these surpluses because shortages were not adjusted for demand. Notably, the need for single-family rental units is nearly 1.5 times higher than for multi-family rentals—a well-known facet of the Hawai‘i market. This is significant for managing housing supply, as the market produces few single-family rentals; most are the result of filtering, where new or existing homes are purchased and then offered as rentals.

Total Housing Need and Breakdown
Hawai‘i's total housing need is 64,490 units (2023–2027), as detailed in **Table 39**. This includes specific allocations for various populations, notably:

- **DHHL-Eligible Households:** 8,508 units, representing the projected need for DHHL-eligible households planning to move from 2023 to 2027, based on a combination of the *HHPS 2022-2023 Housing Demand Survey* (respondents reporting at least one native Hawaiian household member) and responses from the DHHL applicant waitlist. This figure uses a distinct methodology from the statewide 64,490 units and is not a direct subset, reflecting near-term demand rather than the total waitlist need (see **Table 39B** for details). If more units were understood to be available by the applicant list, those indicating an interest in moving in the next five years would likely increase.

- **Broader Demand Context:** The 20,323 households on the DHHL waitlist represent the broader potential demand, with DHHL-eligible households showing a higher preference for ownership (55% of DHHL units vs. 46% statewide) and single-family dwellings (75% of DHHL units vs. 71% statewide), reflecting a strong cultural and practical preference for this housing type.

- **Households experiencing homelessness:** 7,303 total, of which 3,089 (42%) are households with at least one Native Hawaiian member.

- **Individuals with special needs:** 12,400, which will be explored further in Section VII.

- **Hawai‘i population facing housing insecurity**: Estimated at 208,282 households (45.7% of all households). Potential overlaps between DHHL-eligible households and other categories (e.g., native Hawaiian households experiencing homelessness) should be considered, and further analysis may be needed to quantify the specific housing need for non-DHHL Native Hawaiian households.

Preferences and Barriers for DHHL-Eligible Households
DHHL applicants and HHCA-eligible households exhibit distinct preferences and face significant financial barriers:

- **Housing Type:** 75.7% of applicants and 78.2% of eligible households prefer single-family homes. Many desire three bedrooms (39.2% of applicants) and two bathrooms (41.9%), though they can adapt to two bedrooms (33.5% of applicants, 42.7% of eligible) and two bathrooms (48% of applicants, 47.4% of eligible).[109]

- **Geographic Preference:** 58.4% of applicants and 87.5% of eligible households prefer to relocate to Hawai‘i Island, indicating a need for targeted development on neighbor islands to reduce out-migration pressures (14–16% of Native Hawaiian households plan to leave the state due to cost constraints).

- **Financial Constraints:**
    - Down Payment: 38.1% of applicants and 32% of eligible households can afford less than $25,000.
    - Monthly Budget: 39.8% of applicants can afford $1,500–$2,499, while 56% of eligible households can afford $1,000–$2,499, well below typical mortgage costs. These modest needs highlight the necessity for subsidized financing or turn-key solutions to make ownership feasible and retain families in-state.[110]

Interpreting Surpluses in the Data
The data includes negative numbers indicating surpluses for certain unit types. For example, in Honolulu, there are 1,801 more multi-family ownership units priced for households at 180% of HUD AMI or higher than needed (2023–2027). This surplus is concentrated in upper AMI ranges, reflecting the profit potential of high-end condos, with nearly half of planned units in Honolulu targeting the 140–180+ AMI range. A similar trend can be seen in Kaua‘i with a surplus of 140 multi-family ownership units priced for households at 140% of HUD AMI or higher.

Key Takeaways
The housing crisis in Hawai‘i requires targeted strategies to address the acute need at the low end of the market, particularly for single-family rentals and ownership units preferred by

[109] Source: *2022-2023 Housing Demand Survey*, MOV12, MOV15, MOV16, MOV17, and MOV18; "Preferences Among Eligible to Apply HH Who Will or May Move and Will Stay in State," MOV12, MOV16, and MOV18.
[110] Source: *2022-2023 Housing Demand Survey,* MOV10 and MOV11.

DHHL-eligible households. The significant demand for housing on neighbor islands like Hawai'i Island, coupled with financial barriers for Native Hawaiian households, emphasizes the need for subsidized financing and development outside Honolulu. The 8,508 units reflect near-term demand for DHHL-eligible households, calculated with distinct methodology due to data limitations, emphasizing the need for further analysis of the broader 20,323-household waitlist demand.

Additionally, without continued efforts, there is a potential concern that some affordable housing units could lose their affordability requirements due to expiring subsidy terms. *A Smart Growth America study*, commissioned by AARP Hawai'i, highlights that up to 1,056 subsidized units could potentially lose their affordability requirements between 2023 and 2025, and over 11,000 units could be at risk of converting to market-rate housing by 2045, potentially impacting low- and moderate-income households, including many Native Hawaiian beneficiaries and families earning below 80% of AMI. The Hawaii Housing Finance and Development Corporation (HHFDC), a key stakeholder in preserving Hawai'i's affordable housing, notes that it has actively negotiated extensions of affordability deadlines for some of these units, which will likely reduce the number at risk. These efforts were not reflected in the study's data, emphasizing the need for ongoing collaboration to ensure accurate data and sustained affordability.[111]

2. Negative Numbers

The housing need data includes negative numbers, which are highlighted in red font in **Table 39**, to indicate surpluses in certain market segments. These figures are calculated by subtracting supply from demand:

- A zero indicates a balanced market.
- Positive numbers reflect a supply shortage relative to demand.
- Negative numbers signify a surplus, meaning more units (existing or planned for development between 2023 and 2027) are available than needed.

As discussed in the "General Characteristics" section, examples of surpluses include Honolulu's 2,171 excess multi-family ownership units in the upper AMI ranges and Kaua'i's surplus of 140 multi-family ownership units in upper AMI levels. These surpluses highlight a mismatch between current development trends and actual resident needs, often driven by profit potential in high-end markets. For housing professionals, understanding these surpluses is crucial for redirecting resources toward underserved segments, such as low-income households and single-family rentals, where shortages are most acute.

[111]Michael A. Rodriguez, "Affordable Housing in Hawai'i: Inventory and Strategies," Smart Growth America, February 2024, https://smartgrowthamerica.org.

The potential for the surplus (negative) numbers to grow in future studies is highlighted through the pipeline data. While some of the pipeline is anticipated to help meet the growing demand among local families, much of the pipeline is anticipated to increase the number of units at the AMI levels that are already at equilibrium or seeing a surplus. The potential for increased levels of surplus in these higher AMI categories may ultimately lead a deepening of a number of other challenges highlighted throughout the HHPS:

- Increase in vacant, or short-term units not in Housing Supply
- Attract more demand from out of state
- Increase households spending more than 30% (or even 50%) of their household income on housing, become further housing burdened
- Decrease capacity of resources available for development of units that address the demand

3. How to use this table

The "Negative Numbers" section highlighted how surpluses in certain market segments can inform resource allocation. Building on this, the needed units data in **Table 39** provides a practical tool for housing professionals to guide development and policy decisions. However, the data should be used with flexibility, as outlined below:

- **Indicator, Not Absolute:** The numbers in **Table 39**, **Table 39A, and 39C** are not a definitive mandate for the types or price points of units to develop. Instead, they indicate where shortages or surpluses exist. For example, while **Table 39** shows a need for 20,480 single-family rental units statewide, many households might accept a multi-family rental if it fits their budget. Note that the DHHL-eligible data in Table 39C uses a distinct methodology due to limitations in estimating the pipeline, so it should be interpreted carefully when used alongside Tables 39 and 39A.

- **Flexibility Across AMI Levels:** Units can often be shifted between adjacent AMI levels to meet demand. For instance, **Table 39** indicates a need for 9,104 units at 60–80% AMI and 8,548 units at 80–120% AMI. Developing 17,652 units across the 60–120% AMI range (e.g., 10,000 at 60–80% AMI and 7,652 at 80–120% AMI) could address the combined need, allowing for flexibility in targeting specific income brackets. Similarly, **Tables 39A and 39C** may provide more granular data, such as by county or household type, but the combined need across the 60–120% AMI range (e.g., 17,652 units) can be addressed flexibly. However, the distinct methodology for DHHL-eligible households in **Table 39C** may require additional adjustments when applying this flexibility.

- **Tracking Trends Over Time:** If updated regularly, **Tables 39, 39A, and 39C** can help track housing trends and evaluate the impact of policy changes. Prior HHPS have provided recommendations for such a tracking tool to measure progress between studies and to guide planners and policy makers in making decisions that directly connect project and development decisions to the identified needs. This applies whether

you're looking at the statewide overview in **Table 39**, regional breakdowns in **Table 39A**, or demographic-specific data in **Table 39C**. However, given the long timeline for new housing developments, sufficient time must pass before policy impacts are reflected in housing availability.

- **Contextualize Application:** Avoid rigid application of the data in **Tables 39, 39A, and 39C.** Housing needs are dynamic, and households' preferences may shift based on availability, affordability, and other factors. Use the table as a starting point for planning, supplemented by local market insights and community input.

Key Insights: Needed Housing Units

- **Hawai'i faces a housing shortage of 64,490 units through 2027:** A 2022 shortage of 62,750 units (12.2% of housing stock), plus 14,408 units for population growth and 803 for market function (2023–2027), minus 13,471 pipeline units, requires urgent action to meet demand. Note: Excludes ~2,200 units lost to Maui wildfires.
- **Greatest unmet need is for affordable units:** 65% (42,100 units) are needed for households earning ≤80% AMI, with surpluses in luxury segments (e.g., -1,801 multi-family ownership units in Honolulu at ≥180% AMI).
- **Pipeline units target higher-income levels, exacerbating affordability gaps:** Of 13,471 pipeline units (17.3% of the 77,961 total need), a disproportionate share targets higher-income segments, deepening shortages for lower-income households.
- **Single-family rental demand outpaces multi-family:** Demand for single-family rentals (20,480 units) is 1.5x higher than multi-family (14,020 units), yet production remains limited, highlighting a critical market gap.
- **DHHL-eligible households need 8,508 units:** The 8,508 units reflect the near-term housing need (2023–2027) for DHHL-eligible households planning to move, calculated using a distinct methodology due to limitations in estimating DHHL pipeline units, and not a direct subset of the 64,490-unit total. With 58% preferring Hawai'i Island, this suggests a potential increase of 5,000–6,000 units for Hawai'i County (based on 60%–70% of the 8,508 units aligning with this preference), though additional data is needed to refine this estimate.

IV

HOUSING UNITS NOT AVAILABLE TO THE RESIDENTIAL MARKET

IV. HOUSING UNITS NOT AVAILABLE TO THE RESIDENTIAL MARKET

This section identifies housing units unavailable to Hawai‘i residents, such as visitor rentals, out-of-state purchases, and vacant or substandard units, assessing their impact on the 64,490-unit shortage through 2027 and potential for reclamation.

A. VACANT SEASONAL HOUSING UNITS

This section examines housing units unavailable to the residential market in Hawai‘i, focusing on Visitor Rental Units (VRUs) and properties purchased by out-of-state (OOS) buyers. Commonly referred to as the housing stock, the residential market includes units currently occupied by Hawai‘i residents plus units that are vacant and available to residents. The 2024 HHPS adjusts crude estimates of housing supply (as outlined in Section III) by excluding units not available for resident use, such as those converted to visitor rentals or held by non-residents for seasonal or other purposes. The goal is to quantify these unavailable units and explore their potential role in addressing the housing shortage of 64,490 units through 2027 (**Table 39**).

1. Visitor Rental Units (VRUs)

Commonly used procedures for determining housing surplus or shortage attempt to account for the impact of VRUs on housing availability. Although some studies mention the issue, most avoid it because they address larger scopes—such as national, regional, or state shortages—where data on VRUs is sparse and the impact is expected to be minimal. In areas like Hawai‘i, however, with its high ratio of visitors to residents, the effect of visitor rentals is a critical concern. VRUs, also referred to as Transient Vacation Units (TVUs) or Short-term Rentals (STRs), significantly impact housing availability in Hawai‘i due to the state’s high visitor-to-resident ratio. This subsection defines VRUs, estimates their prevalence, and discusses their implications for the residential housing stock.

Definition and Context
VRUs are a subset of Seasonal Units, which are homes used only part of the year, typically for vacations or short-term rentals (e.g., a beach house rented out during the summer). According to the Harvard Law & Policy Review, a VRU is a housing unit that:

1. Was previously occupied by residents,
2. Is now listed on a major booking platform (e.g., Airbnb),
3. Is rented for at least six months of the year, and
4. Is used as a whole-house rental.[112]

[112] *Harvard Law & Policy Review*, "Defining Transient Vacation Units in High-Tourism Regions," 2020. (Assumed source based on the text’s reference to the Harvard Law & Policy Review definition of VRUs.)

In contrast, Seasonal Units may include personal vacation homes not rented out or properties rented for shorter periods, not meeting the VRU criteria. While all VRUs are seasonal due to their part-time use, not all Seasonal Units are VRUs.

Estimate of VRUs

Recent data suggest a range of 9,534 to 30,000 VRUs in Hawai‘i in 2023. Airbnb reported 34,040 units in 2023, of which 30,365 (89.2%) were entire-home rentals, and 9,534 were "recently or frequently used" during the year—aligning with the VRU definition of being rented at least six months annually.[113] The 9,534 figure represents 1.8% of the 2022 housing stock (516,082 units, Section III, **Table 37**, Line 4). The higher estimate of 30,000 units, cited by various sources including the University of Hawai‘i Economic Research Organization (UHERO), equates to 5.8% of the housing stock and likely includes a broader category of Seasonal Units, such as those rented less frequently.[114] For the purposes of this study, we adopt the conservative estimate of 9,534 VRUs as the most aligned with the strict VRU definition, while noting the 30,000 figure as an upper bound for all Seasonal Units potentially impacting the residential market.

Geographic Distribution

UHERO maps indicate that VRUs are not confined to Visitor Destination Areas (VDAs), zones where tourism-related development and short-term rentals (less than six months) are permitted. Nearly every Hawai‘i census tract has VRUs, and, except in Kaua‘i County, the highest concentrations are found outside VDAs.[115] While county-level data is limited, UHERO estimates suggest the following distribution of the 9,534 VRUs in 2023: Honolulu County (~4,000 units, 42%), Maui County (~2,500 units, 26%), Hawai‘i County (~2,000 units, 21%), and Kaua‘i County (~1,000 units, 11%).[116] These figures are approximate and require further validation, particularly in Maui, where the 2023 estimate may be affected by the loss of ~2,200 units due to the August 2023 fires (**Table 37** footnote).

Challenges in Estimating VRUs

Counting VRUs removed from the residential market is challenging for several reasons:

- **Varying Definitions**: Definitions of visitor units differ across sources with no uniform criteria for “units lost,” e.g.: Department of Business, Economic Development and Tourism (DBEDT), UHERO, Hawai‘i Tourism Authority (HTA), and Airbnb. For example, Airbnb data shows significant variation in rental profiles: units rented infrequently generate less revenue than those used continuously for six months or more.

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[113] Airbnb, "*2023 Annual Report on Short-Term Rentals in Hawai‘i*," 2023. (Assumed source for the 34,040 units, 30,365 entire-home rentals, and 9,534 "recently or frequently used" units, as cited in the original text.)

[114] University of Hawai‘i Economic Research Organization (UHERO), "*The Impact of Short-Term Rentals on Hawai‘i’s Housing Market*," 2023. (Assumed source for the 30,000-unit estimate and UHERO maps, based on the text’s reference to UHERO data.)

[115] Ibid. (Refers to the same UHERO report for the geographic distribution of VRUs outside VDAs.)

[116] Ibid. (The county-level distribution of 9,534 VRUs—Honolulu: 4,000; Maui: 2,500; Hawai‘i: 2,000; Kaua‘i: 1,000—is an estimate based on UHERO’s proportional data, as exact figures were not provided in the original text. This requires validation with primary UHERO data.)

- **Residential Status**: Not all listed units were part of the residential housing stock. Some Airbnb listings are townhouses or condominiums designed for out-of-state buyers or transient rentals, never intended for resident use. The 9,534 VRU estimate attempts to exclude such units by focusing on frequently rented entire-home rentals, but further refinement is needed.

- **Continuum of Use**: Unlike Seasonal Units, which may return to residential availability after short-term use, VRUs represent a more sustained shift due to their six-month rental threshold. However, determining when a unit is truly removed from the residential market remains elusive, suggesting housing usage exists on a continuum.

Integration with Housing Stock Estimate

In Section III, the adjusted housing supply of 516,082 units (**Table 37**, Line 4) includes 494,827 occupied units and 21,415 vacant/available units. VRUs, despite being classified as "occupied" under U.S. Census Bureau and American Community Survey (ACS) definitions, are unavailable to residents. To reflect this, the 9,534 VRUs were excluded from the 494,827 occupied units in Section III, reducing the effective occupied supply to 485,293 units. This adjustment ensures the housing stock reflects only units available to Hawai‘i residents.

Policy Implications

Hawai‘i’s strategies to reclaim VRUs blend incentives (e.g., tax breaks, streamlined permitting) and disincentives (e.g., special taxes, regulations, zoning limits, registration).[117] San Francisco’s 2017 rules reclaimed ~2,000 units by capping rentals at 90 days, while Honolulu’s Ordinance 19-18 (Bill 89, 2018) reversed STR growth since 2019.[118] Maui’s 2025 proposed phase-out of 6,127 TVRs estimates add 13% to housing stock, a tremendous impact on one of Maui’s most challenging issues. The University of Hawai‘i Economic Research Organization (UHERO) cautions that phasing out TVRs could lead to unintended economic consequences, such as reduced visitor spending, job losses in tourism-related sectors, and decreased tax revenues, as outlined in their 2025 report (UHERO, 2025). These potential risks should be carefully weighed against the benefits of housing recapture, including savings from reduced public expenditure on new housing development, mitigation of resident out-migration (estimated at 214 people leaving Hawai‘i daily), and alleviation of costs associated with the housing crisis.

This suggests bold options to address such a critical issue impacting Maui residents, but some point to potential economic risks, in particular potential loss of tax revenue from the visitor industry. These concerns should be more deeply examined alongside the potential economic benefits from significant housing recapture and what the County would have spent to develop over six thousand units, mitigation of further out-migration of residents estimated at 214 people leaving Hawai‘i every day, and decrease of expenses related to addressing the negative impacts of the housing crisis. Potential additional policy considerations could include:

[117] UHERO (Page 19-21) expands HHPS’s policy options with Maui-specific insights.
[118] City of San Francisco, "*Office of Short-Term Rental Registry: 2019 Impact Report*," 2019. (Assumed source for the San Francisco policy example, where 2,000 units were reclaimed, based on publicly available data on San Francisco’s Airbnb regulations.)

- Higher TVR Taxes or Permit Auctions: Raise costs to convert less profitable units, generating revenue for housing (e.g., Vancouver's $47M CAD from empty homes tax).[119]

- Incremental Progressive Taxation: In Hawai'i County, Ordinance 22-26 implemented a higher tax rate on Tier 2 Residential properties with a higher valuation and dedicated all revenue to a Homelessness and Housing Fund. Since its implementation three years ago, $27.4 million has been allocated towards delivering housing and programs to address homelessness on Hawai'i Island.[120] Similar strategies could be applied towards visitor accommodations or other property classifications.

- Complements: Empty homes taxes, which receive 74% support among O'ahu voters per a 2024 Ward Research survey[121], zoning reform for denser redevelopment, and homeownership aid (e.g., down payment assistance, deed restrictions) ensure local access.[122]

- Phased Implementation: Gradual or lottery-based phase-outs mitigate disruption, as UHERO advises.[123] Enforcement challenges (e.g., non-VDA monitoring) persist, necessitating robust data and case study research (e.g., Maui's unprecedented 21% TVR share vs. 3% in London).[124]

2. *Out of State Buyers*

Hawai'i has one of the nation's highest rates of out-of-state (OOS) buyers for residential real estate. In 2023, non-residents bought 19.4% of all housing units sold in Hawai'i, compared to 7.3% nationwide.[125] This high rate of OOS purchases raises concerns among housing professionals, who often assume that all units bought by non-residents are removed from the local housing stock, exacerbating the state's housing shortage of 64,490 units through 2027 (**Table 37**, Line 18).

Most housing shortage models do not account for OOS purchases, assuming these properties are held for seasonal or occasional use and thus unavailable to the local market. However, a *2019 Hawai'i Housing Survey* by SMS found that 51% of OOS owners rent out their properties while not in use, and of those, 62% rent to Hawai'i residents.[126] The remaining units are either kept vacant or used by family and friends, reducing their availability to the residential market.

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[119] UHERO (Page 19-20) cites Vancouver's empty homes tax success, adaptable to HHPS.
[120] *See*: https://www.housing.hawaiicounty.gov/grants-funding/homelessness-and-housing-fund.
[121] Ward Research, "*Vacant Tax Reform: O'ahu Voter Insights*," 2024. Survey conducted March 21-30, 2024, among 390 registered O'ahu voters (99% online, 1% telephone), with 74% supporting higher taxes on vacant residential properties unoccupied over 6 months, +/-4.9% margin of error at 95% confidence level.
[122] UHERO (Page 20-21) suggests complements like zoning reform, aligning with HHPS Page 209.
[123] UHERO (Page 21) advocates phased approaches.
[124] UHERO (Page 6) notes Maui's 21% TVR share vs. global norms.
[125] National Association of Realtors, "2023 Profile of International Transactions in U.S. Residential Real Estate," 2023. (Assumed source for the 19.4% OOS purchase rate in Hawai'i and 7.3% nationwide, as this is a common source for such data.)
[126] "2019 Hawai'i Housing Survey: Out-of-State Ownership Patterns," 2019.

According to American Community Survey (ACS) data, housing units are classified as occupied or vacant, available or seasonal, without reference to the owner's residence. As a result, units bought by OOS owners are initially included in Hawai'i's housing stock. In 2022, Hawai'i recorded 5,207 home sales to OOS buyers.[127] Applying the 2019 survey findings:

- 51% of 5,207 = 2,656 units are rented out.
- 62% of 2,656 = 1,647 units are rented to Hawai'i residents and thus remain in the residential supply.
- The remaining 3,560 units (5,207 – 1,647) are considered unavailable to the residential market, either as vacant Seasonal Units or used by family/friends.

Of the 3,560 unavailable units, an estimated 50% (1,780 units) may overlap with the Visitor Rental Units (VRUs) estimate in the previous subsection, as some OOS buyers rent their properties via platforms like Airbnb.[128] For example, Section III notes that 8,508 units are needed for DHHL-eligible households, many of whom face financial constraints (e.g., 38.1% of applicants can afford less than $25,000 for a down payment). OOS purchases, particularly those converted to VRUs, may further limit affordable housing options for these households, especially on Hawai'i Island, where 58.4% of DHHL applicants prefer to relocate (**Table 39B**). Additionally, the 2019 survey data may not reflect post-COVID shifts in OOS behavior—such as increased remote work or tourism trends—suggesting a need for updated research to refine these estimates.

In Section III, the adjusted housing supply of 516,082 units (**Table 37**, Line 4) includes 494,827 occupied units. The 1,647 OOS units rented to residents are retained in this supply, but the 3,560 unavailable units were excluded, reducing the effective occupied supply to 481,733 units (after also adjusting for 9,534 VRUs, as noted in the previous subsection). This adjustment ensures the housing stock reflects only units available to Hawai'i residents, highlighting the impact of OOS purchases on local housing availability.

[127] DBEDT, "*2022 Real Estate Transactions Report*," 2023.

[128] Estimate based on analysis of overlap between OOS purchases and VRUs, assuming 50% of unavailable OOS units (3,560) are listed as VRUs. This is a best estimate and requires further data in the future to confirm the overlap percentage.

Key Insights:

- **9,534–30,000 Visitor Rental Units (VRUs) reduce housing stock** by 1.8%–5.8%: In 2023, VRUs limit units available to residents, worsening the 64,490-unit shortage through 2027.
- **Most VRUs are outside Visitor Destination Areas (VDAs)**, except in Kauaʻi: VRUs, including ~4,000 in Honolulu and ~2,500 in Maui, are widespread, complicating short-term rental regulation.
- **Out-of-state (OOS) buyers remove 3,560 units from the market**: Of 5,207 OOS purchases in 2022, 3,560 units are unavailable, further limiting affordable housing for groups like DHHL households.
- **Total unavailable units range from 11,314 to 31,780**: VRUs and OOS purchases, with a 1,780-unit overlap, make 2.2%–6.2% of housing stock unavailable, a key barrier to addressing the shortage.
- **Policies to reclaim VRUs face enforcement challenges**: Incentives and regulations show promise (e.g., San Francisco reclaimed 2,000 units), but enforcement outside VDAs remains difficult.

B. HOUSING UNITS HELD OFF THE MARKET

The ACS classifies housing units as occupied, vacant/available (for rent or sale), seasonal (e.g., VRUs), or “other” vacant. This “other” vacant category captures residential units not classified elsewhere, such as those held off the market for reasons like renovation, legal issues, or owner indecision. Unlike Visitor Rental Units (VRUs) and out-of-state (OOS) purchases discussed in the previous section, which are often classified as “occupied” or “seasonal” by ACS, these “other” vacant units are not typically addressed in housing shortage models. They are not immediately available for housing professionals to apply to short-term solutions but can be added to the housing stock under certain conditions, such as resolving legal disputes or processes that support completing renovations.

The *2022-2023 Housing Demand Survey* estimated that over 16,000 households owned one or more properties vacant for at least six months in the prior year, potentially representing 16,000–19,200 units (assuming 1–1.2 properties per household, based on typical survey data). Some of these units overlap with VRUs (9,534–30,000 units) and OOS purchases (3,560 unavailable units) discussed earlier, particularly those held for visitors (18.8% in **Table 40**). After adjusting for overlaps, an estimated 10,000–12,000 “other” vacant units may remain, contributing to the total unavailable units (11,314–31,780, or 2.2%–6.2% of housing stock) and exacerbating the 64,490-unit shortage through 2027.

Table 40 details the reasons for vacancy, with the most common being property undergoing renovation (38.3% statewide), followed by units held for friends and family to use when visiting (18.8%), and no offers to buy or rent (10.4%). The “Other” category (27.8% statewide, 47.3% in Kauaʻi) includes vacant land, properties needing repairs, lack of funds for development or repairs, COVID-related issues, and waiting for permits. Short-term barriers like renovation (38.3%) or no offers (10.4%) suggest many units could return to the market soon, while long-term issues like legal disputes (7.7%), multiple owners unable to decide (9.2%), or lack of funds (under “Other”) indicate structural challenges. For example, units held for visitors (18.8%) align with the 3,560 OOS units unavailable for family/friends use, highlighting a shared barrier with OOS purchases.

Reclaiming these units could help address the housing shortage, particularly for vulnerable groups like DHHL-eligible households (needing 8,508 units, many on Hawaiʻi Island) and low-income households (42,100 units needed for ≤80% AMI). If just half of the 10,000–12,000 “other” vacant units (5,000–6,000 units) were reclaimed—focusing on short-term barriers like renovation or lack of offers—they could meet over half of the DHHL need or 12%–14% of the low-income demand.

Policy interventions, such as expedited permitting for units awaiting permits, financial assistance for repairs (e.g., renovation grants), or mediation for multiple owners, could facilitate this process. These strategies parallel the incentives and disincentives proposed for VRUs (e.g., tax breaks, vacancy taxes), but tailored to the specific reasons identified in **Table 40**. However, the high “Other” category (27.8%) suggests a need for further research to understand and address these unspecified barriers.

TABLE 40: REASONS PROPERTIES WERE VACANT

Reason	Honolulu (%)	Maui (%)	Hawai‘i (%)	Kaua‘i (%)	Statewide (%)
Property undergoing renovation	39.7%	22.9%	42.2%	35.2%	38.3%
So friends and family can use when they visit	22.0%	24.9%	9.4%	12.6%	18.8%
No offers to buy or rent	11.5%	11.0%	7.7%	8.6%	10.4%
Multiple owners who can’t decide what to do with the property	9.5%	5.8%	10.6%	6.4%	9.2%
Legal issues related to the property	10.0%	3.3%	3.0%	13.1%	7.7%
Vacant until the owner passes away and then it will pass to heir tax free	7.9%	12.0%	2.1%	7.3%	6.9%
Other (please specify):	20.2%	33.9%	40.4%	47.3%	27.8%
Don’t know	4.3%	5.4%	3.1%	4.8%	4.1%
Refused	10.7%	4.9%	0.0%	3.5%	7.2%

Source: *2022-2023 Housing Demand Survey* responses to “Which of the following best describes why the property was vacant?” There were multiple responses, therefore the sum of the percentages will be greater than 100%.

C. HOUSING TYPES NOT TREATED IN HHPS

1. Migratory Workers

The U.S. Census ACS report units held vacant for migratory agricultural workers, a small category in Hawai‘i due to the tourism-driven economy. In 2022, ACS reported 296 such units statewide, with fewer on O‘ahu than on other islands like Maui and Hawai‘i Island, where agriculture is more prevalent. These units represent only 0.06% of the 516,082-unit housing stock and are unlikely to overlap significantly with the 10,000–12,000 “other” vacant units discussed earlier, as their purpose is specific. Given their limited number, recapturing these units offers minimal potential to address the 64,490-unit housing shortage through 2027, and the 2024 HHPS excluded them from analysis. However, further research into repurposing these units for local housing needs, particularly in agricultural areas, could provide small-scale opportunities.

2. Substandard Units

Some housing studies adjust for substandard units—those lacking adequate kitchen or bath facilities—to avoid overestimating usable supply. Freddie Mac and Up for Growth subtract these units as if they were demolitions, while the Rosen Consulting Group applies an accelerated functional obsolescence rate based on unit age. In Hawai‘i, approximately 5,000 units (1% of

the housing stock) lack complete facilities, per 2022 ACS estimates. Adjusting for these would reduce the effective supply by 5,000 units, or 8% of the 64,490-unit shortage. Some substandard units may overlap with the 10,000–12,000 "other" vacant units, particularly those undergoing renovation (38.3%). Policies like renovation grants could improve these units' quality, making them viable for low-income households while addressing both availability and livability.

The 2024 HHPS chose to retain these units as they are current housing options, often currently occupied by low-income families. However, this is a policy decision to continue to revisit in future studies to ensure that housing standards are not shifted over time and that policy is driven by the true demand for safe housing.

3. *Military Housing*

Hawai'i's strategic role in the Central Pacific makes it a hub for the U.S. Armed Forces, with 18 installations supporting air, land, and sea operations. This military presence significantly impacts the housing market, particularly on O'ahu, where 99% of active-duty members reside. As of 2021, 85,234 active-duty members and dependents were reported, comprising 6% of Hawai'i's population, ranking the state 8th nationally for active-duty proportion. This number declined 21% from 108,312 in 2017 to 85,234 in 2021, as shown in **Table 41** below, but is projected to grow 3% over the next decade (by 2030), with 2,700 new Marines arriving by 2026 as part of the Indo-Pacific restructuring.[129]

TABLE 41: NUMBER OF ACTIVE-DUTY MEMBERS AND DEPENDENTS IN HAWAI'I

Year	Active Duty	Dependents	Total
2017	47,558	60,754	108,312
2018	47,964	59,932	107,896
2019	47,542	57,912	105,454
2020	44,786	47,651	92,437
2021	40,539	44,695	85,234

Source: DOD, 2017-2021.[130]

Military housing includes both on-base and off-base units, with off-base housing factored into the overall housing inventory and demand estimates. The Department of Defense (DoD) targets 16,762 on-base units statewide (16,707 on O'ahu, 55 on Kaua'i, none on Hawai'i Island and Maui), aiming for a 95% occupancy rate at a cost of $63 million annually (excluding inflation). Approximately 40% of military families live on-base, while 60% (14,700 households on O'ahu)

[129] "*Military Community Demographics*," Department of Defense, accessed June 25, 2023.
[130] "*Military Community Demographics*," Department of Defense, accessed June 25, 2023. https://www.militaryonesource.mil/data-research-and-statistics/military-community-demographics/.

compete in the civilian rental market, occupying 13.86% of O‘ahu’s 105,868 private rental units.[131]

The impact is less outside O‘ahu: 20 units on Kaua‘i (0.26%), fewer than 5 on Hawai‘i Island (0.011%), and 30 on Maui (0.143%). Some of these 14,700 units may overlap with Visitor Rental Units (VRUs, 9,534–30,000 units) or out-of-state (OOS) purchases (3,560 unavailable units), as military families often rent short-term rentals or OOS-owned properties, potentially accounting for 2,000–3,000 units.

The Military Housing Privatization Initiative (MHPI) has privatized 17,000 units, reducing on-base housing obligations but increasing civilian market demand. Building 13,614 new government-owned units on O‘ahu is estimated to cost $10.8 billion (with $260 million annual sustainment/utility costs), offsetting $683 million in BAH payments, while privatizing the same number is estimated to cost $3.6 billion in equity plus $757 million annually in BAH. **Table 42** below compares the net present value (NPV) of these strategies, showing that despite lower initial costs, privatization’s higher NPV ($18.5 billion) reflects long-term BAH expenses, making the status quo ($14 billion NPV) the most cost-effective option currently.

TABLE 42: COST-BENEFIT ANALYSIS OF HOUSING STRATEGIES

Alternative	NPV ($ in thousands)
Status Quo (Current Operations)	$14,027,142
New Construction (Government Owned and Government)	$16,223,128
Privatization	$18,502,093
Economic indicators showing the net present value (NPV) of housing alternatives for service members on O‘ahu, comparing the status quo, new government-owned construction, and privatization (values in thousands of dollars).[132]	

Source: "*Report to Congress: Joint Housing Requirements and Market Analysis for Certain Military Installations in Hawai‘i*," Pages 4-8.

Military households’ competitive edge—driven by BAH rates and VA loans (no down payment, no private mortgage insurance requirements)—strains the civilian market. BAH rates across counties in 2023 are shown in **Table 43** below, with Honolulu at $3,759 for families with dependents, exceeding the median 3-bedroom rent of $3,450 (HUD Fair Market Rent, 2023) by $300, and Maui at the highest rate of $4,348.

[131] 2023 ACS.
[132] Source: "Report to Congress: Joint Housing Requirements and Market Analysis for Certain Military Installations in Hawai‘i," Page 6.

TABLE 43: BASIC ALLOWANCE FOR HOUSING RATES (BAH), 2023

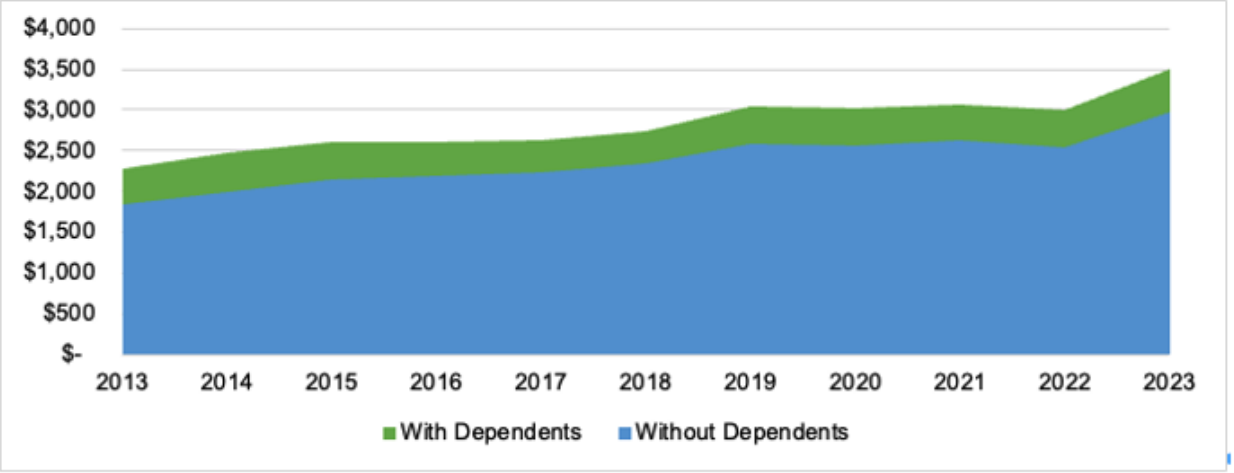
County	With Dependents	Without Dependents
Maui	$4,348	$3,587
Honolulu	$3,759	$3,187
Hawai‘i	$2,379	$2,136
Kaua‘i	$3,486	$2,968

Source: DOD, Defense Travel Management Office, Basic Allowance for Housing, 2023.[133]

On O‘ahu, military demand may have increased rents by 5% above inflation from 2017–2021 (UHERO estimate), reducing affordable options for low-income households (42,100 units needed for ≤80% AMI) and DHHL-eligible households (8,508 units needed). In 2023, the BAH for military families with dependents in Honolulu was $3,759 per month, 197% higher than the $1,267 an average Hawai‘i renter household can afford (based on the average renter wage of $24.37/hour, or $50,689 annually, and the 30% affordability guideline), exacerbating this competition for rentals. Further analysis suggests that military demand may reduce affordable rentals by 10%, or 4,210 units in Honolulu County. Additionally, 20,475 DoD civilians, excluded from Housing Requirements and Market Analysis (HRMAs),[134] likely demand ~8,200 units (assuming 1 unit per 2.5 persons), further straining supply.

Importantly, BAH rates have risen by 40% from 2013 to 2023, as illustrated in **Figure 26** below, allowing military families to outcompete locals for rental units.

FIGURE 26: BASIC ALLOWANCE FOR HOUSING, 2013-2023



Source: DOD, Defense Travel Management Office, Basic Allowance for Housing, 2023.

[133] Source: DoD, Defense Travel Management Office, Basic Allowance for Housing, 2023, Figure 22.

[134] Housing Requirements and Market Analysis (HRMAs) are DOD studies under 10 U.S.C. §2837 that assess housing needs for active-duty military personnel and their dependents at specific installations, excluding DoD civilians, to determine on-base and off-base housing requirements.

Qualifying military personnel, veterans, and their families in Hawai‘i benefit from a distinct competitive edge in the housing market through access to VA loans, which require no down payment and offer favorable terms such as competitive interest rates and no private mortgage insurance (PMI). The ability to purchase homes with zero upfront cost—unlike local residents who typically face substantial down payment requirements in Hawai‘i’s high-cost housing market—positions military households to transition from renting to owning more readily. This advantage is particularly pronounced as home prices remain elevated and inventory scarce, amplifying the strain on non-military residents competing without such benefits. Additionally, 20,475 DoD civilians, excluded from HRMAs, likely demand ~8,200 units (assuming 1 unit per 2.5 persons), further straining supply. This untracked demand increases competition for O‘ahu’s limited rental stock, further reducing housing options for local residents already outcompeted by military families with higher BAH and VA loan advantages.

The dynamics of military housing in Hawai‘i are deeply intertwined with broader housing market trends. The privatization of military housing has reduced the government’s on-base housing obligations but has also increased demand for private-sector rentals. With military families occupying such a significant portion of O‘ahu’s rental stock, the effects ripple through the market, impacting affordability and availability for local residents. The DoD acknowledges this impact and has provided a $3 million grant to the State of Hawai‘i to enhance coordination and support community engagement, aiming to mitigate negative housing market effects through affordable housing development and short-term rental regulations.

Data Gaps and Limitations

A projected 3% growth in military personnel by 2030 lacks updated projections beyond 2021, as the Report to Congress does not provide figures after 2023, creating a gap in current demand estimates. The impact of military housing on civilian housing affordability (e.g., rent price increases) is not fully quantified due to confounding factors like short-term rentals, though further data could improve the analysis. The exclusion of 20,475 DoD civilians from HRMAs limits the comprehensive assessment of total DoD housing demand, hindering a complete picture of market impact.

Looking ahead, the arrival of 2,700 Marines by 2026 will likely intensify these pressures. The DoD is exploring alternative housing options under existing authorities[135] and assessing the feasibility of expanding housing for civilian employees and contractors, though current law does not authorize such expansion. With leases set to expire in 2029, negotiations are underway to determine the future of lands currently utilized by the military. Outcomes could influence future military presence and housing demand. Some political leaders have noted the risk of federal seizure under a new administration, complicating the state’s planning efforts. As Hawai‘i continues to grapple with its broader housing crisis, understanding and addressing the impact of military housing policies will be crucial to creating a more balanced and sustainable housing market for all residents.

[135] E.g., 10 U.S.C. §§ 2667, 2809, 2812, 2835, 2836.

Key Insights: Housing Units Not Available to the Residential Market

- **Visitor Rental Units (VRUs):** 9,534 VRUs (1.8% of stock) are unavailable, potentially up to 30,000 Seasonal Units (5.8%), worsening the 64,490-unit shortage.
- **Out-of-State (OOS) Buyers:** 3,560 units from OOS purchases are unavailable, limiting options for DHHL-eligible (8,508 units needed) and low-income households (42,100 units needed).
- **Housing Units Held Off the Market:** 10,000–12,000 vacant units (2.2%–6.2% of stock) are unavailable; reclaiming 5,000–6,000 could meet over half the DHHL need.
- **Substandard Units:** 5,000 substandard units (1% of stock) were retained for low-income families (42,100 units needed); renovation grants could improve them.
- **Military Housing:** 14,700 military households on Oʻahu reduce affordable rentals by 4,210 units, increasing rents by 5%, with a 2023 BAH of $3,759—197% above the $1,267 an average Hawaiʻi renter household can afford.

V

POLICY OPPORTUNITIES

V. POLICY OPPORTUNITIES

This section describes the sustainable affordability options —fee simple, leaseholds, and restrictions— that were explored in the 2022-2023 *Housing Demand Survey*. At the end of 2022, the shortage stood at 62,750 units **(Appendix J)**, rising to 64,490 by 2023 after accounting for 3,498 homes lost in the August 2023 Maui fires, partially offset by pipeline completions and adjusted for 2023 population growth.

A. SUSTAINABLE AFFORDABILITY & LEASE RESTRICTIONS

1. Sustainable Affordability

Sustainable affordability—keeping housing costs below 30% of income for decades—is central to Hawai'i's housing strategy**.** Fee simple ownership grants perpetual land rights, while leaseholds provide fixed-term use, often structured as sustainable leases to maintain affordability for low-income households. This study examines 99-year leases, resale restrictions in Honolulu (CCH), Hawai'i, and Kaua'i counties, and Maui's deed restrictions.

The *2022-2023 Housing Demand Survey* finds 79% of residents understand fee simple versus leasehold—40% with strong knowledge, 39% with some familiarity—while 13% do not, suggesting education could enhance uptake.[136] The HHPS underscores the affordability crisis: a $41.83/hour "housing wage" for a 2-bedroom rental dwarfs the $24.37/hour average renter wage.

For DHHL-eligible households, 66% earn ≤80% AMI, with 32% of eligible movers and 38.1% of applicants limited to down payments under $25,000, and 35.6% and 41.8%, respectively, affording $1,000–$1,999 monthly.[137] A tiered leasehold model—10-, 30-, or 65-year terms for rent to lease with affordable caps (e.g. capped at $1,500/month with $10,000 grants) could target the 72% of eligible and 72.9% of applicant buyers certain to purchase, transitioning the 13.8% and 13.7% planning to rent into ownership.[138] This aligns with their 88.5% and 79.2% single-family preference, potentially delivering 5,000 units by 2027.[139]

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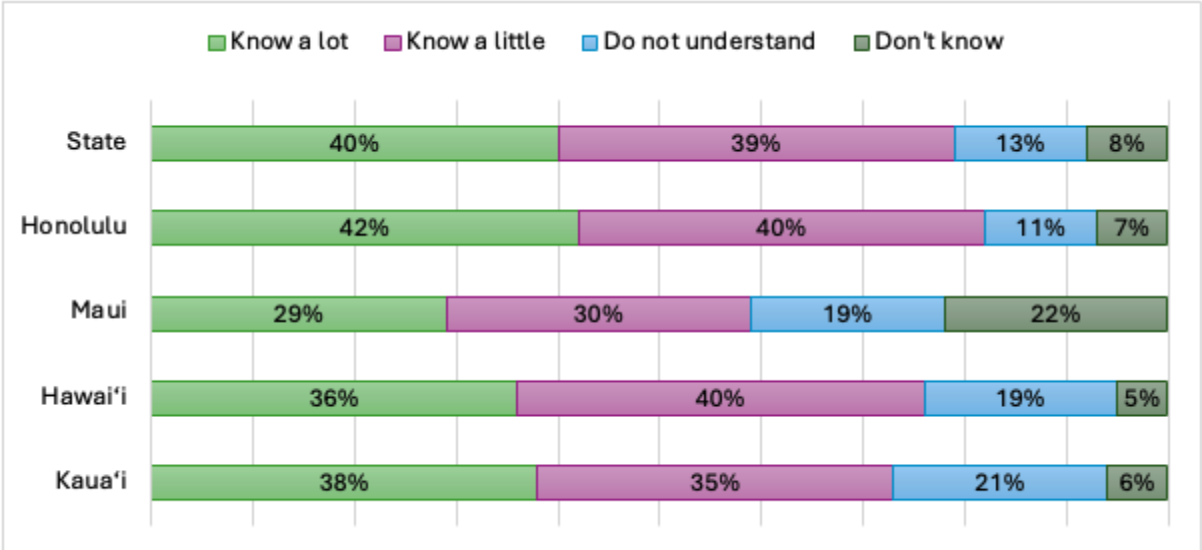
[136] Source: *2022-2023 Housing Demand Survey*, Question: "How well do you understand the difference between a leasehold property compared to a fee simple property?" in Appendix.
[137] Source: *2022-2023 Housing Demand Survey*, DHHL-specific data (MOV10, MOV11, MOV6, MOV8, MOV5, MOV12). Full questions: MOV10: "About how much do you think you would be able to pay as a down payment?"; MOV11: "About how much would you be able to afford to pay each month for all housing costs if you were to buy a home?"; MOV6: "Are you pretty certain that you will buy, or do you think you might rent, instead?"; MOV8: "If there were currently homes available that you could afford, would you want to buy one?"; MOV5: "Do you think you will be buying or renting your next home?"; MOV12: "The next home you move to, will that most likely be a single-family house, a townhouse, a condo, or an apartment?" in Appendix.
[138] Ibid.
[139] Ibid.

FIGURE 27: UNDERSTANDING THE DIFFERENCE BETWEEN LEASEHOLD PROPERTY AND FEE SIMPLE PROPERTY BY COUNTY



Source: *2022-2023 Housing Demand Survey.* Survey question: How well do you understand the difference between a leasehold property compared to a fee simple property?

2. *The 99-Year Lease*

The appeal of purchasing a single-family home with a 99-year leasehold restriction has increased, per **Table 44**, with statewide willingness rising from 27% in 2019 to 44.5% in 2023. Maui shows the highest willingness at 49.5% in 2023, up from 43% in 2019, while Kaua'i's willingness fell from 46% to 35.7%. The share "willing to consider" such a purchase decreased from 40% to 35.9% statewide, and disinterest dropped significantly from 27% to 11.2%. This suggests growing acceptance of long-term leaseholds.

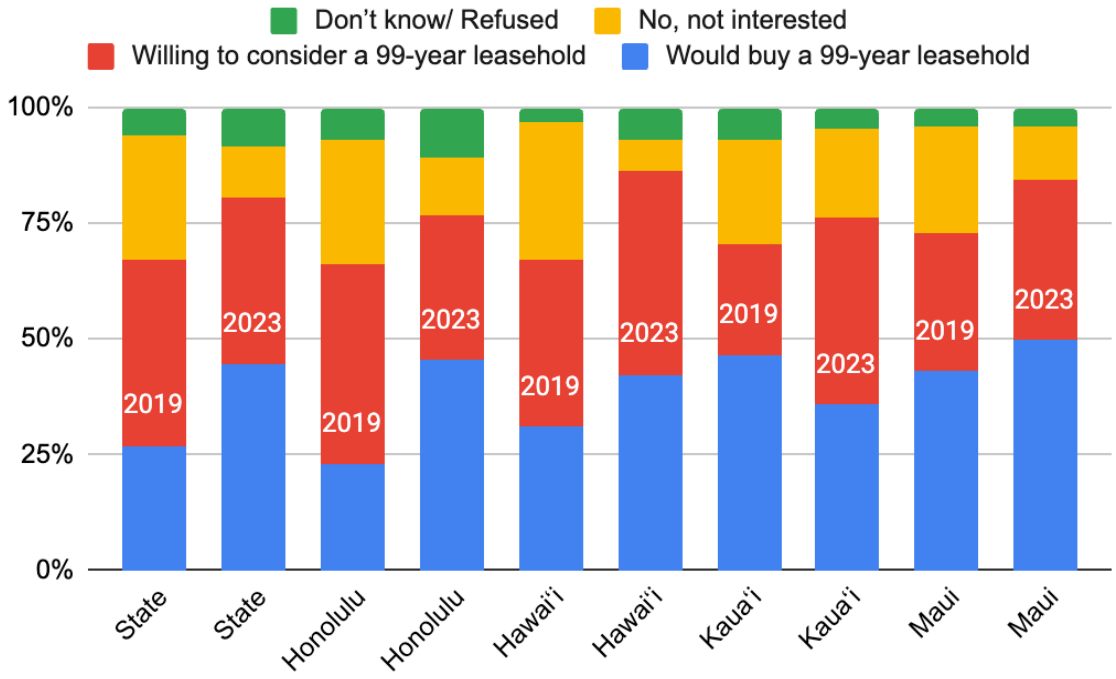
TABLE 44: WILLINGNESS TO BUY A SINGLE-FAMILY HOME WITH 99-YEAR LEASEHOLD RESTRICTION, 2019 AND 2023

	State	Honolulu	Hawai‘i	Kaua‘i	Maui
Would buy a 99-year leasehold					
2019	27%	23%	31%	46%	43%
2023	44.5%	45.3%	42.3%	35.7%	49.5%
Willing to consider a 99-year leasehold					
2019	40%	43%	36%	24%	30%
2023	35.9%	31.2%	44.0%	40.5%	34.7%
No, not interested					
2019	27%	27%	30%	22%	23%
2023	11.2%	12.5%	6.5%	19.1%	11.1%
Don’t know/ Refused					
2019	6%	7%	3%	7%	4%
2023	8.4%	10.9%	7.1%	4.8%	4.2%

Source: 2024 HHPS. Note: 2019 shelter costs $1,100–$2,999; 2023 costs $1,000–$2,499. Question: "Would you be willing to buy a single-family home if the government lease was 99 years, with a 99-year occupancy and a limited equity price defined in the lease if sold?"

Table 44 reveals a significant shift in attitudes toward 99-year leasehold single-family homes, with statewide willingness to buy increasing from 27% in 2019 to 44.5% in 2023, alongside a sharp decline in disinterest from 27% to 11.2%. This growing acceptance of leasehold models could help address the housing shortage, particularly for affordable units. **Figure 28** below visualizes these changes across regions, highlighting regional variations—such as Maui’s high willingness at 49.5% in 2023—and providing a clearer comparison between 2019 and 2023 to inform targeted housing strategies.

FIGURE 28: SINGLE-FAMILY LEASEHOLD ACCEPTANCE RISES: 2019 AND 2023 BY REGION



Source: 2024 HHPS. Note: 2019 shelter costs $1,100–$2,999; 2023 costs $1,000–$2,499. Question: "Would you be willing to buy a single-family home if the government lease was 99 years, with a 99-year occupancy and a limited equity price defined in the lease if sold?"

Demographics show 41% of supporters are aged 30–44, with married couples (48%) and singles (45%) most open. Movers within 1–3 years (48%) or 3–10 years (60%) and single-family residents (42%) favor it. A 65-year lease pilot in Maui, targeting young families at $1,500/month, could rebuild 1,000 units by 2027, capitalizing on the 49.5% willingness to buy while addressing the 13% statewide knowledge gap through education, though Maui-specific data indicates a higher 41% gap among residents, highlighting a need for targeted outreach in the region.[140]

Leasehold Preferences for Townhouses and Condos

The 2024 HHPS also explores willingness to buy affordable townhouses or condos under leasehold restrictions, as shown in **Table 45**. This data complements the findings for single-family homes in **Table 44**, focusing on multi-family units with 65-year and 99-year leaseholds, both with shared equity and 10-year occupancy requirements (for the 65-year option).

[140] Source: 2024 HHPS, Question: "Would you be willing to buy a single-family home if the government lease was 99 years, with a 99-year occupancy and a limited equity price defined in the lease if sold?" in Appendix.

TABLE 45. WILLINGNESS TO BUY AN AFFORDABLE TOWNHOUSE/CONDO WITH LEASEHOLD RESTRICTIONS

	65-year leasehold & 10-year occupancy and shared equity	99-year leasehold and shared equity
Age	35 to 39 (20%)	35 to 39 (17%)
Marital status	Single, never married (49%)	Single, never married (43%)
Household size	Single household (33%)	1 to 2 HH size (58%)
Homeowner vs. Renter	Homeowner (62%)	Renter (44%)
Current residence	Condo (30%) Townhouse (19%)	Condo (26%) Townhouse (22%)
Moving timeframe	6 months to 2 years (43%)	6 months to a year (21%)
Moving preference	Single-family house (62%) Condo (22%)	Condo (25%)

Percent of respondents who will purchase affordable housing under either 65-year leasehold or 99-year leasehold.
Source: 2024 HHPS. Data for Honolulu, Hawai‘i, and Kaua‘i Counties only.

The primary distinction lies in ownership preference and moving intentions. Homeowners who prefer either single-family dwellings or condominium units (condos) are more likely to purchase under a 65-year leasehold. Renters who are more likely to move into a condo are more likely to purchase under a 99-year leasehold. To leverage these preferences, a dual leasehold program could offer 65-year leases for homeowners (62% willing) and 99-year leases for renters (44% willing), targeting young singles aged 35–39 and small households. A pilot in Honolulu, Hawai‘i, and Kaua‘i counties could deliver 2,000 units by 2027, capitalizing on Kaua‘i’s high willingness (26.7% for 99-year leases, **Table 48**) and helping to address the 64,490-unit shortage established in **Table 39**.

3. Resale Restrictions

While newly planned affordable housing has primarily been undertaken in the Honolulu area, demand for such housing remains high across Hawai‘i. With the signing of the *Emergency Proclamation relating to Affordable Housing*[141] by Governor Josh Green in July 2023, more affordable housing developments are hoped to be produced in the coming years. Generally, two specific restrictions are often incorporated into affordable and reserved housing developments: Buyback period[142] and Shared Appreciation Equity (SAE).[143]

[141] Office of the Governor, State of Hawai‘i, “Proclamation Relating to Housing”, 2023, https://governor.hawaii.gov/wp-content/uploads/2023/07/2307072-1.pdf.
[142] The buyback program requires the owner to occupy the unit as their primary residence typically for 10 years or the duration of the program.
[143] SAE is the sharing of the property's net appreciation with the HHFDC/HCDA in exchange for the buyer's opportunity to purchase the unit at below-market prices.

This portion of the survey sought to assess the maximum number of years of owner occupancy that households are willing to consider and to identify the characteristics of households interested in buying affordable homes under various restrictions. A total of 26,151 households were eligible to answer this portion of the survey.

Key Findings:

1. **Ownership Duration and Relocation Plan:** Households preferring a shorter-term owner occupancy requirement are more likely to move sooner.

2. **Ownership Duration and Housing Type Preferences:** Households who lean towards a 10-year owner occupancy option show a higher interest in purchasing condominiums. While households that prefer a 50-year and 30-year owner occupancy are more likely to purchase single-family dwellings.

3. **Moving Plans and Age:** Younger individuals are more likely to plan for a shorter-term move. Older individuals are less inclined to relocate soon, particularly if they prefer a 50-year owner occupancy.

Table 46 shows the percentage of respondents who will consider purchasing affordable housing under various durations of owner occupancy and shared equity. Respondents were offered alternative owner occupancy durations if they did not initially select the 50-year or 30-year option. It is assumed that respondents agreeing to longer occupancy periods would also consider the subsequent options of 30 or 10 years. The analysis begins with at least one-third of the respondents considering purchasing under a 50-year owner occupancy (36%), with 45% considering a 30-year owner occupancy, and more than half considering a 10-year owner occupancy (51%).

TABLE 46: PERCENTAGE OF HOUSEHOLDS THAT WILL CONSIDER PURCHASING AFFORDABLE HOUSING UNDER VARIOUS DURATIONS OF OWNER OCCUPANCY AND SHARED EQUITY, BY COUNTY[144]

	Total	Honolulu	Hawai'i	Kaua'i
Would consider a 50-year owner occupancy	36%	35%	43%	36%
Would consider a 30-year owner occupancy	45%	44%	50%	51%
Would consider a 10-year owner occupancy	51%	51%	55%	52%
Would consider to share a % of the increased value of the home	43%	45%	35%	37%
Would consider both an occupancy requirement and a shared % of increased value[145]	76%	78%	74%	61%

Source: *2022-2023 Housing Demand Survey*, demographic and preference data for respondents considering owner occupancy durations and shared equity in Honolulu, Hawai'i, and Kaua'i counties.

Households were asked about their opinion on the shared percentage of the increased value of a home, with 43% of the households considering buying under this option. Shorter occupancy terms significantly boost acceptance: 34.2% say 'yes' to a 10-year requirement, with Kaua'i leading at 41.0%, while 51% statewide are open to considering it (**Table 48**).

Demographic insights reveal that many respondents who prefer a 50-year owner occupancy are aged 35–49 (41%), are at least college graduates (53%), and likely have a household size of three or less (59%).[146] Similarly, the majority of those inclined toward a 30-year owner occupancy have at least a bachelor's degree (79%) and live in a household size of three or less (72%). Regarding future moving plans, those who prefer a 50-year owner occupancy are less likely to relocate soon, with 37% planning to move in 4–10 years, while 60% of those preferring a 30-year owner occupancy plan to move within 6 months to 2 years. In terms of housing type preference, 72% and 65% of those who opt for a 50- or 30-year owner occupancy, respectively, prefer single-family dwellings.

Respondents favoring a shorter 10-year owner occupancy tend to be younger, notably those aged 30–39 (57%). Most in this category (76%) do not plan to move within 3–10 years, and 30% are interested in moving into a condominium in the future.

For Maui County, which has distinct deed restrictions, **Table 47** provides additional insights. A third (33%) of respondents would consider a 10-year owner occupancy requirement, while 43% would consider a 5-year requirement. The majority of those open to a 10-year requirement

[144] Percent of movers who currently reside or intend to move to Honolulu, Hawai'i, and Kaua'i who wish to buy and expect to pay between $1,000 and $2,499 monthly shelter costs. Note: This table excludes Maui County, which has different resale restrictions. Source: 2024 HHPS.
[145] Households that accept both occupancy and share percentage of increased value are based on respondents who would consider 50-, 30-, and 10-year owner occupancy and also would consider to share a percentage of increased value of home.
[146] Source: *2022-2023 Hawai'i Housing Demand Survey*, demographic and preference data for respondents considering owner occupancy durations and shared equity in Honolulu, Hawai'i, and Kaua'i counties.

(56%) are aged 40–59, and 57% would likely move in six months to two years.[147] Among those considering a 5-year owner occupancy, 26% are aged 40–44, and 49% live in a household size of three or less.

TABLE 47: DEED RESTRICTIONS (MAUI ONLY)

Restriction	Maui
Would consider a 10-year owner occupancy requirement	33%
Would consider a 5-year owner occupancy requirement	43%

Percent of movers who wish to buy and expect to pay between $1,000 and $2,499 monthly shelter costs (2023). Source: *2022-2023 Housing Demand Survey*.

A statewide policy adopting a 10-year owner occupancy requirement with shared equity could capitalize on the 51% acceptance rate, targeting younger buyers aged 30–39 (57%) in Honolulu, Hawai‘i, and Kaua‘i. In Maui, a 5-year requirement (43% acceptance) could support post-fire recovery for 40–44-year-olds (26%), especially given the 13% statewide knowledge gap in understanding leasehold versus fee simple properties (**Figure 27**), with Maui-specific data showing a higher 41% gap among residents, emphasizing the need for localized education efforts.[148] This could deliver 3,000 units by 2027 within the $1,000–$2,499/month budget, helping to address the 2,200 structures destroyed in the August 8, 2023, Maui fires.[149]

To address overcrowding—a critical issue with a 30% rate among DHHL households—DHHL could prioritize building units with 3–4 bedrooms and 2 bathrooms, aligning with preferred sizes from the *2023 DHHL Housing Beneficiary Demand Survey*. Flexible designs, such as expandable floor plans, could accommodate the 42–44% of respondents accepting 2–3 bedrooms as a minimum, enhancing livability within the $1,500–$2,499/month budget of 45.9% of eligible households.[150]

Building on these resale and deed restriction findings, the 2023 *Housing Beneficiary Demand Survey* offers further insight into resident acceptance of equity-sharing and leasehold models across all counties.

4. Resident Acceptance of Equity-Sharing and Leasehold Models

The *2022-2023 Housing Beneficiary Demand Survey* reveals strong resident interest in equity-sharing and leasehold models as strategies for sustainable affordability in Hawai‘i, with

[147] Source: 2024 HHPS, demographic and preference data for respondents considering deed restrictions in Maui County.
[148] Adjusted to reflect the statewide 13% knowledge gap, with the 41% gap specified as Maui-specific to maintain consistency across the section.
[149] The 2,200 structures destroyed in the Maui fires are referenced in the *2022-2023 Housing Demand Survey*; the 3,000-unit target by 2027 is based on the 51% acceptance rate for a 10-year owner occupancy (Table 48) and 43% for a 5-year requirement in Maui (Table 49), scaled to address the state's 64,490-unit shortage.
[150] Source: *2022-2023 Housing Demand Survey*, DHHL-specific data (MOV12, MOV11). Full questions: MOV12: "The next home you move to, will that most likely be a single-family house, a townhouse, a condo, or an apartment?"; MOV11: "About how much would you be able to afford to pay each month for all housing costs if you were to buy a home?" in Appendix.

preferences varying by county and tenure terms.[151] Statewide, 26.4% of respondents would buy a government-assisted affordable home requiring 50 years of owner occupancy—where the government can repurchase it at the original cost plus improvements and a minimal return if sold within that period—while 36% are open to considering it (**Table 46**). Shorter occupancy terms significantly boost acceptance: 34.2% say 'yes' to a 10-year requirement, with Kauaʻi leading at 41.0%, while 51% statewide are open to considering it (**Table 48**).

County-level differences underscore the need for tailored approaches, as shown in **Table 48** below. Kauaʻi residents, facing acute housing pressure, consistently show higher willingness—21.9% for a 65-year lease and 26.7% for a 99-year lease—compared to Honolulu's 19.5% and 23.8%, respectively. Maui, however, reports 0.0% interest in leasehold options for townhouses/condos (**Table 48**), possibly due to a stronger preference for single-family homes, with 49.5% willingness to buy a single-family home with a 99-year leasehold in 2023 (**Table 44**), or reflecting unique market dynamics or survey sample limitations. These variations suggest that regional housing challenges shape attitudes toward affordability models. These variations suggest that regional housing challenges shape attitudes toward affordability models.

TABLE 48: RESIDENT WILLINGNESS TO PURCHASE AFFORDABLE HOMES BY COUNTY (% SAYING "YES")

Question	Honolulu (% Yes)	Maui (% Yes)	Hawaiʻi (% Yes)	Kauaʻi (% Yes)	State (% Yes)
50-yr occupancy	27.7%	33.6%	20.6%	39.1%	**26.4%**
10-yr occupancy	34.5%	33.6%	31.8%	**41.0%**	**34.2%**
65-yr lease	19.5%	0.0%	21.8%	21.9%	20.3%
99-yr lease	23.8%	0.0%	23.7%	26.7%	23.9%

Source: *2022-2023 Housing Demand Survey*.

The data points to actionable insights for addressing Hawaiʻi's 64,490-unit housing shortage. Shorter occupancy requirements, like the 10-year term favored in Kauaʻi, could unlock demand in high-need areas, while longer leases—preferred by 23.9% statewide—might appeal to those seeking stability. Education also plays a role: 39.4% of respondents already "know a lot" about leasehold versus fee simple properties, suggesting that informed residents may be more receptive to these models (**Figure 27**). For counties like Kauaʻi and Maui, where 19.8% of Kauaʻi's current stock (based on a need for 4,914 units and an estimated 2023 stock of ~25,232 units, **Appendix J**) and 24.9% of Maui's current stock (based on a need for 14,987 units and an estimated 2023 stock of ~60,181 units, adjusted for pre-fire data, **Appendix J**) are needed by 2027, respectively (**Table 39**). Note that Maui's need increases to 17,237 units post-fire, raising the percentage to 28.6% **(Appendix J)**. Policymakers could prioritize these adjustments by tailoring occupancy and lease durations by region to maximize impact**.**

[151] *2022-2023 Housing Demand Survey*, DHHL-specific data (MOV12, MOV11, MOV10, MOV6, MOV8, MOV5). Full questions in Appendix.

5. DHHL-Specific Policy Opportunities

Data from the *2023 DHHL Beneficiary Demand Survey* households—covering both eligible lessees and applicants—combined with the 2023 DHHL Preferences Survey, reveals distinct housing preferences and financial constraints that point to targeted policy solutions.[152] These insights, paired with statewide trends from the *2022-2023 Housing Demand Survey,* highlight opportunities to meet the needs of DHHL beneficiaries, particularly in high-demand areas like Hawai‘i County.

- **Targeted Development on Hawai‘i Island:** Prioritize building 5,000 single-family homes by 2027 in Hawai‘i County, where 88.5% of eligible lessees and 79.2% of applicants who may move prefer this housing type.[153] Priced at $150,000–$200,000 each, these units fit the $1,500–$1,999 monthly housing cost range affordable to 28.7% of applicants and 16% of eligible lessees intending to buy.[154] This addresses the estimated 18,879-unit need on the island, leveraging the Hawaiian Home Lands Programmatic Survey (HHPS) pipeline of 13,471 planned units. Among applicants, 58.4% would relocate to Hawai‘i Island, reinforcing its priority status.[155] High transportation costs in Hawai‘i County—26% of income, per **Table 49**—further suggest locating homes near employment centers to lower overall living expenses.

- **Subsidized Ownership:** Cap DHHL mortgage payments at $1,500 per month, affordable to 37.7% of applicants and 35.6% of eligible lessees planning to buy within ranges up to $1,999.[156] Offer $10,000 down payment grants for the 38.1% of applicants and 32% of eligible lessees limited to less than $25,000 upfront.[157] This builds on a forthcoming HHPS strategy blending subsidies with workforce development, adapted here for ownership, targeting the 72% of eligible buyers and 72.9% of applicant buyers certain to purchase within five years.[158] Such subsidies could accelerate access for the

[152]22022-2023 *Housing Demand Survey* DHHL-specific data (MOV12, MOV11, MOV10, MOV6, MOV8, MOV5) and *2023 DHHL Preferences Survey*. Full questions in Appendix. (General reference to both datasets.)
[153] *2022-2023 Housing Demand Survey,* (MOV12). Full question: "The next home you move to, will that most likely be a single-family house, a townhouse, a condo, or an apartment?" and *2023 DHHL Beneficiary Demand Survey* in Appendix. (88.5% eligible lessees, 79.2% applicants from preferences data.)
[154] *2022-2023 Housing Demand Survey,* (MOV11). Full question: "About how much would you be able to afford to pay each month for all housing costs if you were to buy a home?" in and *2023 DHHL Beneficiary Demand Survey* Appendix. (28.7% applicants at $1,500–$1,999 [109/488], 16% eligible at $1,500–$1,999 [8/50].)
[155] *2022-2023 Housing Demand Survey* (MOV3). Full question: "What island would you move to?" in and *2023 DHHL Beneficiary Demand Survey in* Appendix. (58.4% applicants to Hawai‘i Island: 59/101.)
[156] *2022-2023 Housing Demand Survey,* (MOV11). Full question: "About how much would you be able to afford to pay each month for all housing costs if you were to buy a home?" in *2023 DHHL Beneficiary Demand Survey* Appendix. (37.7% applicants at $1,000–$1,999 [184/488], 35.6% eligible at $1,000–$1,999 [18/50].)
[157] *2022-2023 Housing Demand Survey,* (MOV10). Full question: "About how much do you think you would be able to pay as a down payment?" and *2023 DHHL Beneficiary Demand Survey* inin Appendix. (38.1% applicants < $25,000 [186/488], 32% eligible < $25,000 [16/50].)
[158] *2022-2023 Housing Demand Survey* (MOV6). Full question: "Are you pretty certain that you will buy, or do you think you might rent, instead?" and *2023 DHHL Beneficiary Demand Survey* inin Appendix. (72% eligible [36/50], 72.9% applicants [356/488].)

63.1% of respondents who are applicants only, many facing financial barriers.[159]

- **Vacation Unit Conversion:** Reclaim 5,000 of the 35,884 seasonal units on Hawai‘i Island for DHHL beneficiaries, potentially using tax incentives as suggested in a later HHPS strategy. This aligns with the strong preference for single-family homes—78.2% among eligible lessees and 75.7% among applicants overall, rising to 88.5% and 79.2% among potential movers.[160] Converting these units could rapidly increase supply, meeting both affordability and housing type demands.

- **Identify Lands Across Agencies:** DHHL has to allocate a considerable portion of its budget and resources on managing lands that are not suitable for housing development. A number of state agencies have lands in their inventory that may be suitable for housing development and are currently not in use. A close review of land inventory for the purpose of considering how any state or county lands would be a fit for DHHL development can help to address housing shortage and affordable housing needs in any county.

- **Prevent Out-migration:** Fund 2,000 units for at-risk households, given that 38% are uncertain about remaining in Hawai‘i. Offer rents of $800–$1,699, affordable to 24.8% of applicant renters, or ownership options at $1,000–$2,000 monthly, within reach for 35.6% of eligible buyers and 41.8% of applicant buyers.[161] This targets the 9% of respondents living out-of-state—many potential returnees—while stabilizing the DHHL community, especially as only 10.9% of applicants plan to move to O‘ahu instead of other islands.[162]

These strategies, grounded in robust survey data, enhance the HHPS's affordability focus with DHHL-specific solutions. Statewide willingness to accept affordable ownership with a 10-year occupancy requirement (34.2%) suggests beneficiaries might embrace similar flexibility.[163] By prioritizing Hawai‘i County development, subsidizing costs, repurposing vacation units, and retaining at-risk households, DHHL can potentially address a meaningful share of Hawai‘i's 64,490-unit shortage.

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[159] *2022-2023 Housing Demand Survey,* DHHL-specific data (MOV12, MOV11, MOV10, MOV6, MOV8, MOV5). Full questions in and *2023 DHHL Beneficiary Demand Survey* inAppendix. (63.1% applicants only: 20,323/32,190 from first document.)

[160] *2022-2023 Housing Demand Survey* (MOV12). Full question: "The next home you move to, will that most likely be a single-family house, a townhouse, a condo, or an apartment?" in Appendix. (88.5% eligible, 79.2% applicants from preferences; 78.2% and 75.7%.)

[161] *2022-2023 Housing Demand Survey* (MOV9 and MOV11). Full questions: "About how much can you afford to pay each month for all housing costs, including rent, utilities, maintenance fees, and parking?" and "About how much would you be able to afford to pay each month for all housing costs if you were to buy a home?" in Appendix.(24.8% applicant renters at $800–$1,699 [34/137], 35.6% eligible buyers at $1,000–$1,999 [18/50], 41.8% applicant buyers at $1,000–$1,999 [204/488].)

[162] *2022-2023 Housing Demand Survey*. Full question: "What island would you move to?" in Appendix. (9% out-of-state: 2,870/32,190 from first document; 10.9% applicants to O‘ahu: 11/101.)

[163] *2022-2023 Housing Demand Survey*, DHHL-specific data (QLEA1c). Full question: "What if you only had to own and occupy the home for an initial period of 10 years – would you consider buying this affordable home?" in Appendix. (34.2% statewide "Yes").

6. Non-Profit Agency & 60 Year Lease

Respondents were asked about their willingness to buy an affordable leasehold property if the land was owned by a non-profit agency instead of the state or county government and leased for 65 or more years. Under this restriction, 28% agree to purchase, 27% are willing to consider, and 32% would not purchase, with 13% unsure or refusing to answer.[164] Support for this model is notably high in Kaua‘i County, reaching 72%, compared to the 23.9% statewide willingness to buy a 99-year leasehold (**Table 48**), suggesting that a shorter 60-year lease may appeal to a different segment of the population.

The high support in Kaua‘i aligns with the county’s acute housing needs, where 19.8% of current stock is required by 2027, based on a need for 4,9141 units and an estimated 2023 stock of ~25,232 units (**Table 39**, **Appendix J**). However, the 13% statewide knowledge gap in understanding leasehold versus fee simple properties (**Figure 26**) indicates that education could further increase acceptance, particularly in counties with lower support.

A partnership with non-profits in Kaua‘i could develop 1,500 affordable units by 2027 under a 65-year leasehold model, targeting single-family homes and condos near Kapa‘a. Priced at $1,500/month, these units could appeal to the 65% of Kaua‘i commuters, reducing transportation costs (21% of income, **Table 51**) and addressing the 19.8% housing need.[165] An accompanying education campaign on leasehold benefits could further boost uptake, especially in areas with lower awareness.

7. Housing and Transportation

Housing and transportation are two of the largest components of household costs in the U.S. The Housing and Transportation Affordability Index (H+T Index) measures affordability by combining housing and transportation costs at the neighborhood level.[166] Traditionally, affordability recommends spending no more than 30% of income on housing, but the H+T Index raises this cap to 45% when including transportation costs. **Table 49** shows that all four counties exceed the 45% H+T benchmark, with combined costs ranging from 49% to 55%. Honolulu has the highest housing costs (32%) but the lowest transportation costs (17%), while Hawai‘i County has the highest transportation costs (26%) and combined index (55%).

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[164] Source: *2022-2023 Housing Demand Survey*, Question: "Would you be willing to buy an affordable leasehold property if the land was owned by a non-profit agency and leased for 60 or more years?" in Appendix.
[165] The 1,500-unit target by 2027 is based on Kaua‘i’s 72% support for the non-profit leasehold model and the 19.8% housing need, scaled to address the state’s 64,490-unit shortage.
[166] “H+T Index,” Center for Neighborhood Technology. Accessed September 15, 2023, https://htaindex.cnt.org/.

TABLE 49: HOUSING & TRANSPORTATION INDEX BY COUNTY

County	Housing Cost (% of HH income)	Transportation Cost (% of HH income)	Combined (% of HH income)
Hawai‘i	29%	26%	55%
Maui	31%	21%	52%
Honolulu	32%	17%	49%
Kaua‘i	28%	21%	49%

Tables 50-53 provide H+T Index data for selected population centers or areas with available data in each county, with titles standardized for consistency. Data coverage may vary due to geographic and reporting constraints, particularly in larger or less urbanized counties such as Hawai‘i and Kaua‘i. On O‘ahu, Urban Honolulu has the lowest combined index (42%), below the H+T benchmark, while Kailua’s index is the highest at 62%. On Maui, Lahaina’s combined index is 48%, though this data predates the August 2023 fires, which likely increased costs due to housing loss.[167] In Kaua‘i, Kapa‘a has the lowest index at 47%, though still high, while on Hawai‘i Island, Hilo’s 47% is the lowest, compared to Kailua-Kona’s 58%.

TABLE 50: O‘AHU HOUSING & TRANSPORTATION INDEX

Areas on O‘ahu	Housing Cost (% of HH income)	Transportation Cost (% of HH income)	Combined (% of HH income)
C&C Honolulu	32%	17%	49%
Kapolei	31%	20%	51%
Pearl City	32%	18%	51%
Kailua	43%	19%	62%
Urban Honolulu	28%	13%	42%

TABLE 51: MAUI HOUSING & TRANSPORTATION INDEX

Areas on Maui	Housing Cost (% of HH income)	Transportation Cost (% of HH income)	Combined (% of HH income)
Maui Island	31%	21%	52%
Lahaina	28%	20%	48%
Kīhei	30%	19%	49%
Kahului	29%	20%	49%

[167] The August 2023 Maui fires destroyed at least 2,200 structures, per the *2022-2023 Housing Demand Survey.*

TABLE 52: KAUA‘I HOUSING & TRANSPORTATION INDEX

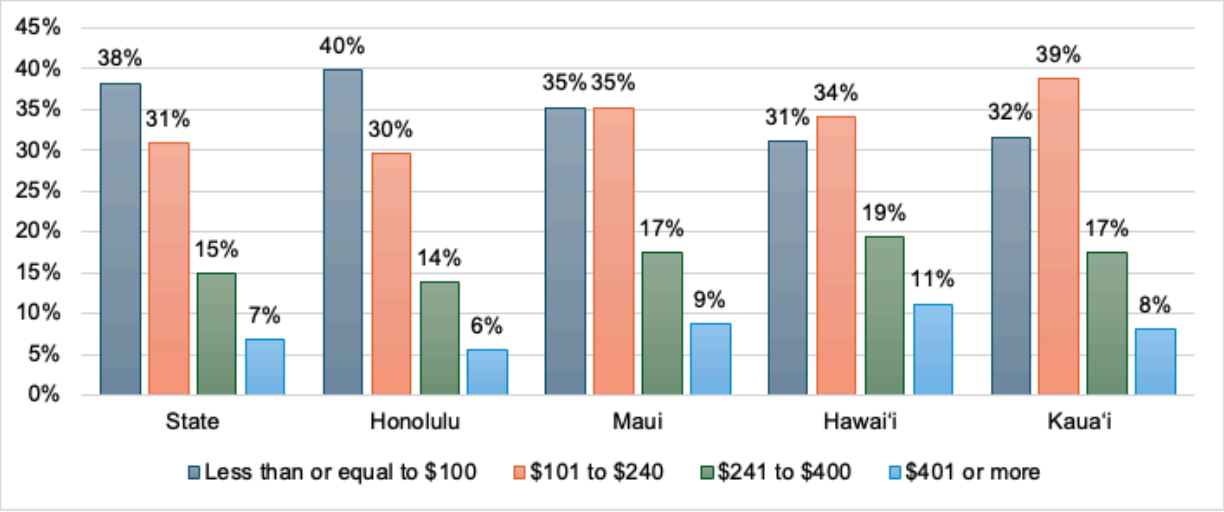
Areas on Kaua‘i	Housing Cost (% of HH income)	Transportation Cost (% of HH income)	Combined (% of HH income)
Kaua‘i County	28%	21%	49%
Po‘ipū	34%	17%	51%
Kīlauea	34%	22%	56%
Kapa‘a	26%	21%	47%

TABLE 53: HAWAI‘I HOUSING & TRANSPORTATION INDEX

Areas on Hawai‘i	Housing Cost (% of HH income)	Transportation Cost (% of HH income)	Combined (% of HH income)
Hawai‘i County	29%	26%	55%
Hilo	23%	24%	47%
Kailua-Kona	33%	24%	58%
Waimea	35%	20%	56%
Ocean View	28%	24%	52%

Transportation costs contribute significantly to these high indices. In Kaua‘i County, 39% of commuters pay $101–$240 per month, the highest among the counties, while in Honolulu, 40% pay less than $100, likely due to cheaper gasoline and greater mass transit availability.

FIGURE 29: COST OF TRANSPORTATION PER MONTH



Note: No answer responses are not shown. Source: *2022-2023 Housing Demand Survey*.[168]

Across Hawai‘i, 51% of respondents commute to work or school at least four days a week, with the highest percentage in Kaua‘i (65%) and the lowest in Honolulu (48%). Public transit use is

[168] Source: *2022-2023 Housing Demand Survey*, Figure 29: "Cost of Transportation Per Month," showing the distribution of monthly transportation costs by county.

highest in Honolulu at 14%, reflecting its extensive bus and new rail services, while Maui and Kaua‘i have the lowest usage at 3%.

TABLE 54: COMMUTER CHARACTERISTICS

Characteristic	Honolulu	Maui	Hawai‘i	Kaua‘i	State
Percent of households in which one or more adults commute to and from work or school at least four days a week	48%	62%	56%	65%	51%
Percent of commuters who use public transportation at least three days a week	14%	3%	6%	3%	12%
Average time to travel one way to work or school in minutes	40.5	30.7	65.4	36.0	42.1
Percent of adults who intend to move closer to the workplace of someone in the household to reduce transit cost or commute time	36%	27%	33%	30%	34%

Source: *2022-2023 Housing Demand Survey*.[169]

The average one-way commute in Hawai‘i County is over an hour (65.4 minutes), compared to 30.7 minutes in Maui and 36 minutes in Kaua‘i. As the largest island, Hawai‘i County has limited public transit, contributing to longer commutes and higher costs, which may explain why 33% of respondents there intend to move closer to workplaces to reduce transit expenses.

In June 2023, Honolulu’s Skyline rail system commenced passenger service, aiming to reduce traffic congestion, support transit-oriented development (TOD), and shorten commutes to enhance time for family and socio-economic activities. The *2022-2023 Housing Demand Survey* found that 22% of respondents want to move closer to a rail station, up from 17% in 2019, despite the survey predating the rail’s operation.[170] This suggests growing interest in TOD, which could be further increased with education, given the 13% statewide knowledge gap in understanding housing options like leaseholds (**Figure 27**)

[169] Source: *2022-2023 Housing Demand Survey*, Questions: "How many days per week do you commute to work or school?"; "How often do you use public transportation?"; "What is your average one-way travel time to work or school?"; "Do you intend to move closer to a workplace to reduce transit costs or commute time?" in Appendix.
[170] Source: *2022-2023 Housing Demand Survey*, Questions: "Would you want to move closer to a rail station?"; "Are you interested in a multi-family, for-sale unit near a rail station?"; "How many parking spaces would you need?"; "Would you forgo a parking space for [lower rent/larger unit/secure bicycle parking]?" in Appendix.

TABLE 55: MOVER CHARACTERISTICS

Characteristic	Honolulu	Maui	Hawai‘i	Kaua‘i	State
Percent of those who want to move closer to one of the rail stations when they are built	22%	36%	35%	28%	22%
Percent of those interested in a multi-family, for-sale unit near a rail transit station	58%	100%	40%	100%	59%
Number of parking spaces needed if moving into a unit near rail station	1.8	2.1	1.5	1.2	1.8
Percent of those considering not having a parking space if respondent could pay less on rent	46%	60%	100%	100%	47%
Percent of those considering not having a parking space if respondent could have a larger unit instead	48%	51%	52%	100%	48%
Percent of those considering not having a parking space if secure bicycle parking is provided	30%	30%	0%	100%	30%

Source: *2022-2023 Housing Demand Survey*.[171]

Among movers, Kaua‘i and Maui respondents show strong interest in multi-family units near rail stations (100%), with many willing to forgo parking spaces for lower rent or larger units. This data may reflect hypothetical interest, as rail stations are currently only operational in Honolulu (Skyline rail system), suggesting a potential demand for transit-oriented development if rail were available in these counties. **Table 55** captures the characteristics of City and County of Honolulu (CCH) respondents as well as those who want to move to O‘ahu from neighboring islands. Notably, all Kaua‘i County movers express interest in a multi-family unit near a rail transit station and are willing to forgo a parking space in exchange for lower rent (100%), a larger unit (100%), or even without secure bicycle parking (100%), indicating a strong preference for transit-oriented living despite the absence of rail in Kaua‘i. In contrast, CCH residents are the least likely to move closer to rail stations (22%, matching the statewide average) and are less willing to give up parking spaces for lower rent (46%) or a larger unit (48%), reflecting a greater reliance on personal vehicles in Honolulu despite the availability of the Skyline rail system. This aligns with the 25% preference for condos among 99-year lease supporters (**Table 45**), suggesting TOD units could appeal to similar demographics.

Policy Recommendations:To address some of these housing and transportation challenges, Honolulu might consider accelerating Transit-Oriented Development (TOD) around Skyline stations, delivering 2,000 multifamily units by 2027. Based on the *2022-2023 Housing Demand Survey* (**Table 55)**, 59% of respondents (approximately 1,180 units) are interested in for-sale units near rail stations, reflecting demand for homeownership among middle-income buyers

[171] Source: 2022-2023 Housing Demand Survey, Questions: "Would you want to move closer to a rail station?"; "Are you interested in a multi-family, for-sale unit near a rail station?"; "How many parking spaces would you need?"; "Would you forgo a parking space for [lower rent/larger unit/secure bicycle parking]?" in Appendix.

(targeting 80-120% of Area Median Income). The remaining 820 units could be offered as rentals at approximately $1,500/month for 1-2 bedroom apartments, serving renters seeking affordable transit-adjacent options. Note that some respondents preferring for-sale units may also consider leasing, supporting a mixed offering. To enhance appeal, subsidies for bicycle parking could attract the 30% of movers prioritizing active transportation (**Table 55**). An education campaign addressing the 13% knowledge gap in housing options (**Figure 27**) could further increase TOD acceptance. In Hawai‘i County, a shuttle service connecting Hilo (47% H+T Index) to employment centers could reduce the 65.4-minute commute for 56% of commuters (**Table 54**), supporting the 18,879-unit need by lowering transportation costs (26% of income).[172]

Key Insights: Policy Opportunities

Housing + Transportation Costs Burden

- All counties exceed the 45% affordability benchmark, with costs highest in Hawai‘i County at 55%.
- Neighbor Islands face disproportionate transportation burdens, worsened by long commutes.
- Maui’s costs likely rose after the 2023 wildfires destroyed 2,200 structures.

Alternative Ownership Models

- Nearly half of respondents, especially those aged 30–44, support 99-year leasehold homes, with Maui leading.
- Over half favor a 10-year owner occupancy with 43% open to sharing equity for affordability.
- Kaua‘i strongly backs (72%) a 60-year non-profit leasehold model, matching its 19.8% housing need by 2027.

Transit-Oriented Development Potential

- 22% would move closer to rail stations, with 59% interested in multi-family units nearby.
- Many would trade parking for lower rent or bicycle parking, supporting affordable TOD designs.

Knowledge Gaps and Education Needs

- 13% statewide, and 41% in Maui, lack understanding of leasehold versus fee simple properties.
- Education could boost acceptance of leasehold models and TOD, especially in Maui.

[172] The 2,000-unit target in Honolulu is based on the 59% interest in for-sale units near rail stations (Table 57); the shuttle service in Hawai‘i County targets the 33% intending to move closer to workplaces (Table 56), addressing the 18,879-unit need (see "DHHL-Specific Policy Opportunities").

VI

SEGMENTS WITHIN THE HOUSING MARKET

VI. SEGMENTS WITHIN THE HOUSING MARKET

In examining Hawai‘i's housing landscape, it's essential to consider distinct population segments that experience unique housing challenges and opportunities. This section explores two key demographic groups—Native Hawaiian households and military personnel—whose housing experiences significantly impact the broader housing market while reflecting historical and contemporary socioeconomic patterns specific to Hawai‘i. Through detailed analysis of these two segments, this section examines how population-specific approaches can inform broader strategies to address Hawai‘i's complex housing challenges.

A. NATIVE HAWAIIANS

Native Hawaiian households represent a critical segment within Hawai‘i's housing landscape. Their contributions and assets, as well as their unique housing needs, warrant special consideration in housing policy. Native Hawaiian households face disproportionate housing challenges rooted in historical displacement and ongoing socioeconomic inequities. Despite targeted housing resources through the Department of Hawaiian Home Lands (DHHL), data reveals concerning trends of housing cost burden, overcrowding, and potential out-migration among Native Hawaiian populations. With 58% of Native Hawaiian households falling below the ALICE Threshold and substantial waitlists for DHHL land awards, the housing status of this indigenous community provides a critical lens for understanding both persistent inequities and potential pathways to more equitable housing solutions. Note that housing need estimates for DHHL-eligible households, such as the 8,508 units, use a distinct methodology due to data limitations, which will be detailed further in this section.

Several institutions and agencies administer public benefits held in trust for “Native Hawaiians”, defined as individuals descended from ancestors living in Hawai‘i prior to 1778. Most notably in housing, the DHHL manages designated lands for qualified members of the native Hawaiian community—specifically those with at least 50% blood quantum as defined by the Hawaiian Homes Commission Act (“native Hawaiians”). The Hawaiian Homelands, a trust of approximately 200,000 acres established by the Hawaiian Homes Commission Act of 1920, are managed by the DHHL, a state agency overseen by the Hawaiian Homes Commission (HHC), which sets policy and approves awards through its nine-member board. Under HHCA, some DHHL awards provide beneficiaries with a lease to a vacant plot of land, perhaps including some infrastructure, requiring lessees to secure financing and construct their own housing rather than receiving a pre-built shelter.

The *2022-2023 Housing Demand Survey* included several questions designed to examine the current housing situation and future needs of the Native Hawaiian population. The survey also collected data on interest in various DHHL housing programs, providing valuable insights into the characteristics of DHHL beneficiaries and their housing preferences.

For the purposes of the 2024 HHPS Native Hawaiian households are discussed within three distinct self-identified categories:

1. **DHHL Lessees and Applicants**: Households that include at least one native Hawaiian, who is a Lessee, has an award for a lease, and/or is an Applicant on the residential waitlist.

2. **HHCA Eligible Households**: Households that include one or more members who are native Hawaiian but are not current DHHL applicants or lessees.

3. **Non-HHCA Native Hawaiian Households**: Households that include one or more members, who are Native Hawaiian but no members that are native Hawaiian.

1. DHHL Lessees and Applicants

Survey respondents who reported that one or more of their household members were DHHL Lessees and/or on the waitlist for a DHHL residential award were categorized by their DHHL status. Data for each DHHL beneficiary category was evaluated across various demographic factors and housing program interests. As this group is a smaller subset of the statewide data, the results have a higher maximum sampling error than the data reported at the state or county level, although they continue to provide valuable insights. In addition to the *2022-2023 Demand Survey*, the project also conducted a demand survey specifically among DHHL applicants in 2023. As the methodology is unique from the statewide data, the report recommends against comparison; however, the insights and data combined from the two studies can be valuable for housing planners.

DHHL beneficiary households include those who have received residential awards (Lessees), those waiting for awards (Applicants), and some who are both Lessees of one type of award while also waiting for another type. According to DHHL data, there are 7,992 residential Lessee-only households, 3,875 households that are both Lessees and Applicants, and 20,323 Applicant-only households waiting for residential awards.

The geographic distribution of these beneficiaries reflects both historical settlement patterns and current housing pressures, with 16,587 beneficiaries (51.5%) concentrated in Honolulu County—where a 25,710-unit shortage looms—followed by 6,184 (19.2%) in Hawai‘i County, 4,608 (14.3%) in Maui County, 1,941 (6.0%) in Kaua'i County, and 2,870 (8.9%) out-of-state[173], as shown in **Figure 30** below. This concentration in urban Honolulu represents a significant mismatch between beneficiary location (**Table 58**) and available DHHL land inventory, which is more available on neighbor islands. County-level data reveals stark demand: Honolulu’s 10,558 Applicant Only households (63.7%) dominate the 20,323-strong waitlist, followed by Hawai‘i’s 3,683 (59.6%), Maui’s 2,491 (54.1%), Kaua'i’s 997 (51.4%), and 2,594 out-of-state (90.4%). The 3,875 Lessee & Applicant households, including 1,758 in Honolulu (10.6%), signal additional

[173] Source: "Geographic distribution and counts sourced from DHHL Beneficiary Count Spreadsheet, 2023. Honolulu’s 25,710-unit shortage from HHPS 2024, Page 105, Table 34.

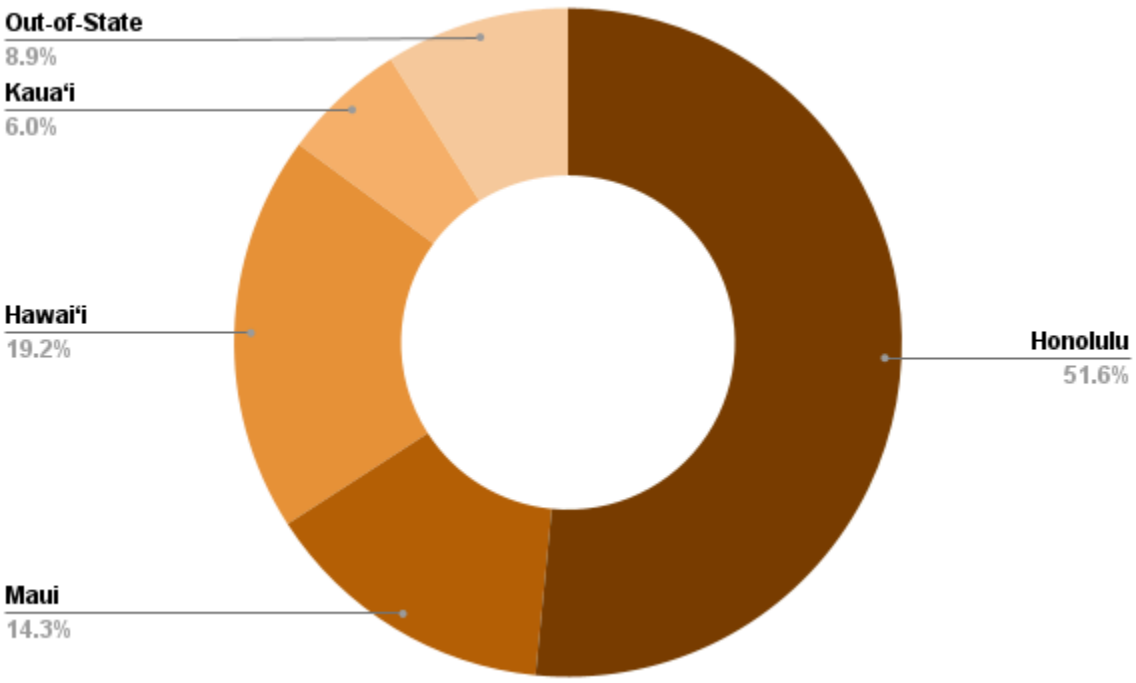
need—potentially for residential upgrades—aligning with the 95% of renters preferring ownership. Meanwhile, 2,870 out-of-state beneficiaries (90.4% Applicant Only) suggest housing costs have driven migration, yet their waitlist status hints at return potential if awards accelerate.

Survey data from 2023 shows 58.4% of 996 DHHL applicants prefer relocating to Hawai‘i Island over O‘ahu (10.9%) in the next several years, reflecting short-term expectations amid waitlist delays rather than ideal DHHL award preferences. This contrasts with 51.5% currently residing in Honolulu County, emphasizing a geographic mismatch with greater DHHL land availability on Hawai‘i and Maui (19.2% and 14.3% of beneficiaries, respectively). Addressing this disparity could alleviate urban overcrowding and better align housing supply with beneficiary demand, though current projections estimate Honolulu requires 5,077 of the 8,508 units needed statewide by 2027, compared to 1,903 for Hawai‘i County—a disconnect from applicant mobility trends.

The 8,508 units reflect the near-term housing need for DHHL-eligible households planning to move within five years, derived from a combination of the *2022-2023 Housing Demand Survey* (respondents with at least one native Hawaiian household member) and DHHL applicant responses in the *2023 DHHL Beneficiary Demand Survey*, weighted to the general state population. Due to the limitations in estimating DHHL units in the pipeline, a distinct methodology from previous housing reports was used, making this figure not a direct subset of the statewide 64,490-unit need. It is likely that if DHHL-eligible households were aware of more homestead opportunities being available in the next five years that more of the households would express an interest in moving.

Of these applicants, 49% plan to purchase their next home, with 90.5% willing to buy if affordable, yet financial barriers loom large: 38.1% can afford less than $25,000 for a down payment, and 39.8% limit monthly housing costs to $1,500–$2,499—well below the $2,851 median mortgage for applicant homeowners. Applicants overwhelmingly favor single-family homes (75.7%), with 39.2% preferring 3 bedrooms and 41.9% desiring 2 bathrooms, though 33.5% and 48% would accept 2 bedrooms and 2 bathrooms, respectively, reflecting practical compromises in the absence of timely DHHL awards.

FIGURE 30: GEOGRAPHIC DISTRIBUTION OF DHHL LESSEES AND APPLICANTS, 2023



Note: This donut chart illustrates the percentage distribution of 32,190 DHHL Lessees and Applicants across counties by individuals rather than households. Honolulu County accounts for the largest share at 51.5% (16,587 individuals), followed by Hawai'i County at 19.2% (6,184), Maui County at 14.3% (4,608), Kaua'i County at 6.0% (1,941), and Out-of-State at 8.9% (2,870). Active Beneficiaries include native Hawaiian individuals who are DHHL lessees, applicants, or both; other potential beneficiaries are excluded.[174]

TABLE 56: DHHL APPLICANTS AND LESSEES BY COUNTY, 2023

	County										Total	
	Honolulu		Maui		Hawai'i		Kaua'i		Out-of-State			
	Count	Col %	Count	Column %	Count	Column %	Count	Column %	Count	Column %	Count	Column %
Applicant Only	10,558	63.70%	2,491	54.10%	3,683	59.60%	997	51.40%	2,594	90.40%	20,323	63.10%
Lessee Only	4,271	25.70%	1,427	31.00%	1,506	24.40%	616	31.70%	172	6.00%	7,992	24.80%
Applicant and Lessee	1,758	10.60%	690	15.00%	995	16.10%	328	16.90%	104	3.60%	3,875	12.00%
Total	***16,587***	***100.00%***	***4,608***	***100.00%***	***6,184***	***100.00%***	***1,941***	***100.00%***	***2,870***	***100.00%***	***32,190***	***100.00%***

Source: DHHL.

[174]Source: DHHL.

Demographic and Economic Profile

Household sizes and economic conditions vary significantly among DHHL beneficiary groups. Current DHHL Lessees have the smallest average household size (3.43 persons), Applicants average slightly larger households (3.67 persons), and households that are both Applicants and Lessees have the largest average size (3.95 persons). The majority of each of these groups currently reside in single-family dwellings (73% for Lessees and 82% for Applicants and Lessees), with two bathrooms being common (32% for Lessees and 39% for Applicants and Lessees). Lessee and Applicant households most often have three bedrooms (41% and 44%, respectively), while Applicant and Lessee households tend to have slightly larger homes, with three (28%) or four (30%) bedrooms. This single-family preference (noted earlier) drives the 54% of Applicants seeking turn-key homes and 91% of Lessees maintaining homes on their awards.[175]

Ownership patterns further highlight these dynamics: Lessee (65%) and Applicant and Lessee (78%) households are more likely than Applicant Only (43%) households to own their current residence. However, overcrowding remains a persistent issue, as evidenced by DHHL's growing lease totals—rising from 9,761 in 2020 to 9,981 in 2022, and reaching 10,045 in 2023—alongside a waitlist of 47,086 applications from 29,451 beneficiaries.[176]

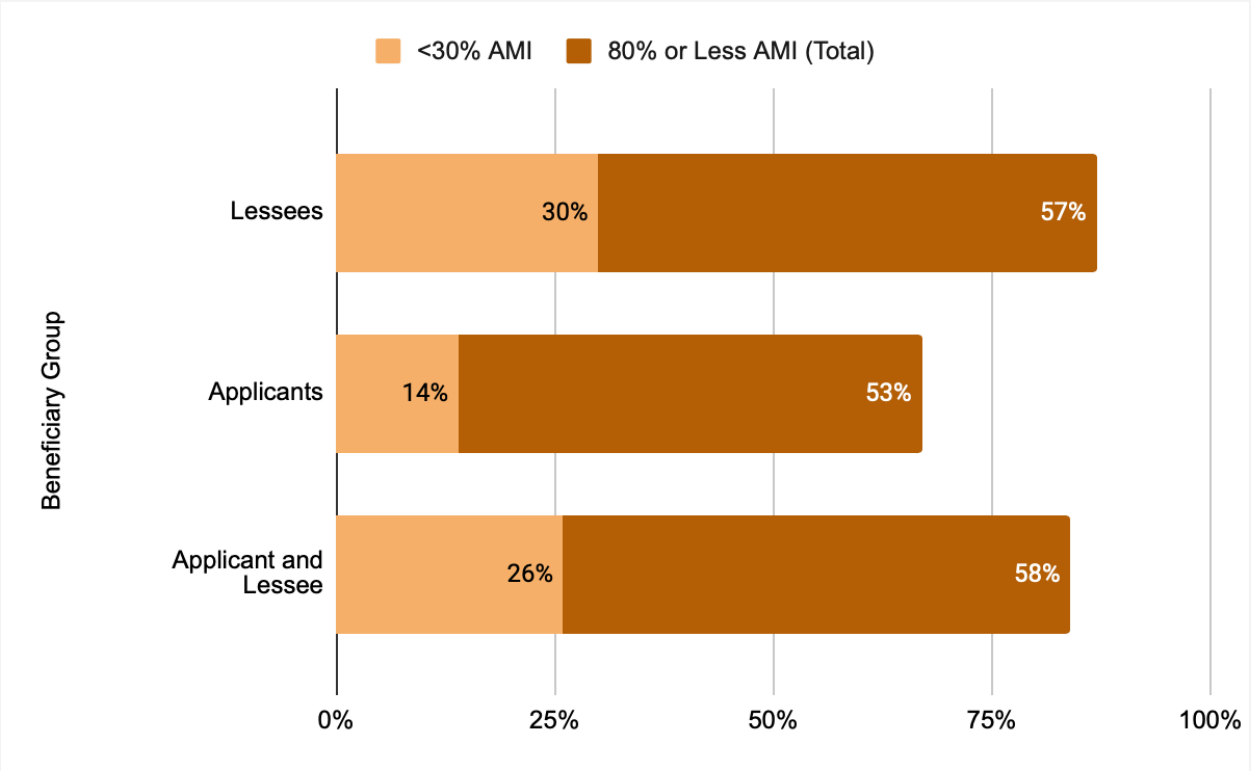
Income patterns reveal critical economic distinctions intertwined with these demographic trends. Lessees and Applicants have similar median household incomes ($71,295 and $73,634, respectively), while households that are both Applicants and Lessees, despite their larger size, have a lower median income of $58,680. Affordability challenges are pervasive: 58% of Native Hawaiian DHHL households fall below the ALICE Threshold, with 57% of Lessees, 53% of Applicants, and 58% of Applicant and Lessee households earning 80% or less of AMI. Over 44% of Lessees are cost-burdened (>30% of income on housing), with 30% earning less than 30% AMI; 14% of Applicants and 26% of Applicant and Lessee households fall below 30% AMI. Additionally, 27% of DHHL beneficiaries express concerns about housing insecurity.[177]

[175] 2020 DHHL.

[176] 2023, 2022, 2020 DHHL.

[177] *2023 Beneficiary Housing Demand Survey*. Survey completions were relatively low in certain remote areas on neighbor islands. In order to lower the margin of error in these areas, the future HHPS might explore opportunities to increase participation.

FIGURE 31: INCOME DISTRIBUTION OF DHHL ACTIVE BENEFICIARIES BY AMI CATEGORIES



Source: 2020 Beneficiary Study**.** Over half of DHHL Lessees and Applicants earn 80% or less of AMI, with significant portions in extreme poverty. Active Beneficiaries include applicants and lessees only.

Such a distribution reveals the severe economic challenges facing DHHL beneficiaries, highlighting the critical need for affordable housing solutions to address their disproportionate poverty and housing insecurity. This economic vulnerability contributes to homelessness risks (see Homelessness section), with 51% of Oʻahu's homeless population in 2024 identified as Native Hawaiian or Pacific Islander (43% Native Hawaiian alone) and 40% on Kauaʻi, Maui, and Hawaiʻi Counties.

The 2023 Beneficiary Housing Demand Survey offers insights into affordable housing preferences that could address these economic challenges, particularly among DHHL applicants and eligible households. It also highlights the importance of investing in DHHL developments to meet both community-specific and broader county-level needs.

Affordable Housing Preferences Among Native Hawaiians

Native Hawaiian households, facing a 63% housing cost burden and with 66% earning 80% or less of AMI, urgently require affordable housing solutions. The 2024 Housing Demand Survey, which includes responses from DHHL applicants and eligible households, reveals significant openness to equity-sharing and leasehold models that could address this need. Statewide, 44.5% of respondents would consider purchasing a single-family home with a 99-year lease and

limited equity.[178] Building on the 75.7% applicant preference, 78.2% of eligible households also favor single-family homes, supporting equity-sharing models for 4,144 ownership units.

For multi-family options, 20.3% of respondents would buy a unit with a 10-year occupancy requirement and government-set resale prices, with 48.4% willing to consider a 5-year term, suggesting flexibility among some Native Hawaiians to accept denser housing forms when affordability is prioritized. Maui respondents showed particular interest in multi-family options, with 20.2% willing to buy a unit with a 10-year owner-occupancy[179] requirement and 48.4% considering a 5-year requirement[180], indicating potential for multi-family developments as an interim solution in high-demand areas.[181]

This openness is supported by a solid understanding of tenure options, with 39.4% of respondents statewide, including DHHL households, reporting they "know a lot" about leasehold versus fee simple properties. These preferences indicate that equity-sharing models have the potential to accelerate delivery of the 8,508 units needed for DHHL-eligible households by 2027, reflecting near-term demand for households planning to move within five years, calculated using a distinct methodology due to limited data (e.g., lack of DHHL pipeline data) and not a direct subset of the statewide 64,490-unit need. Of these units, 4,650 are for ownership (4,144 single-family, 506 multi-family) and 3,858 are for rental (2,207 single-family, 1,651 multi-family), with nearly half (4,788) targeting households earning below 60% AMI.[182] For example, a 99-year lease single-family home could reduce upfront costs for beneficiaries, only 12.3% of whom can afford a $100,000+ down payment, while shorter-term multi-family options could serve as interim solutions for those awaiting homesteads. Policymakers and DHHL planners might consider leveraging these insights to invest in such models, tailoring them to county-specific needs—e.g., Kauaʻi's higher acceptance (26.7%)—and pair them with financial education to maximize uptake.[183]

Housing Conditions and Affordability

Housing quality varies significantly, with 47% of lessee homes requiring repairs. 51% of households indicate they are unable to afford minor repairs and 72% unable to fund major ones—compounding financial pressures. Median household incomes highlight economic disparities: $71,295 for Lessees, $73,634 for Applicants, and $58,680 for Applicant and Lessee households. Based on income and size, 57% of Lessees, 53% of Applicants, and 58% of Applicant and Lessee households earn 80% or less of the Area Median Income (AMI), with 30%, 14%, and 26% respectively below 30% AMI.

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[178] Source: *2023 DHHL Beneficiary Demand Survey.*

[179] Source: *2023 DHHL Beneficiary Demand Survey.*QLEA4: "Would you buy a multi-family unit with a 10-year occupancy requirement and government-set resale prices?"

[180] Source: *2023 DHHL Beneficiary Demand Survey.*. QLEA5: "Would you buy a multi-family unit with a 5-year occupancy requirement and government-set resale prices?"

[181] Source: "Preferences for Multi-Family Developments," QLEA4, QLEA5, *2023 DHHL Beneficiary Demand Survey.*

[182] Source: Table 39C, Housing Units Needed for DHHL-Eligible Households by Tenancy, Type, and Price Segment, State of Hawaiʻi, 2023-2027.

[183] Source: "County-Specific Preferences for Equity-Sharing Models," QLEA8, *2023 DHHL Beneficiary Demand Survey*.

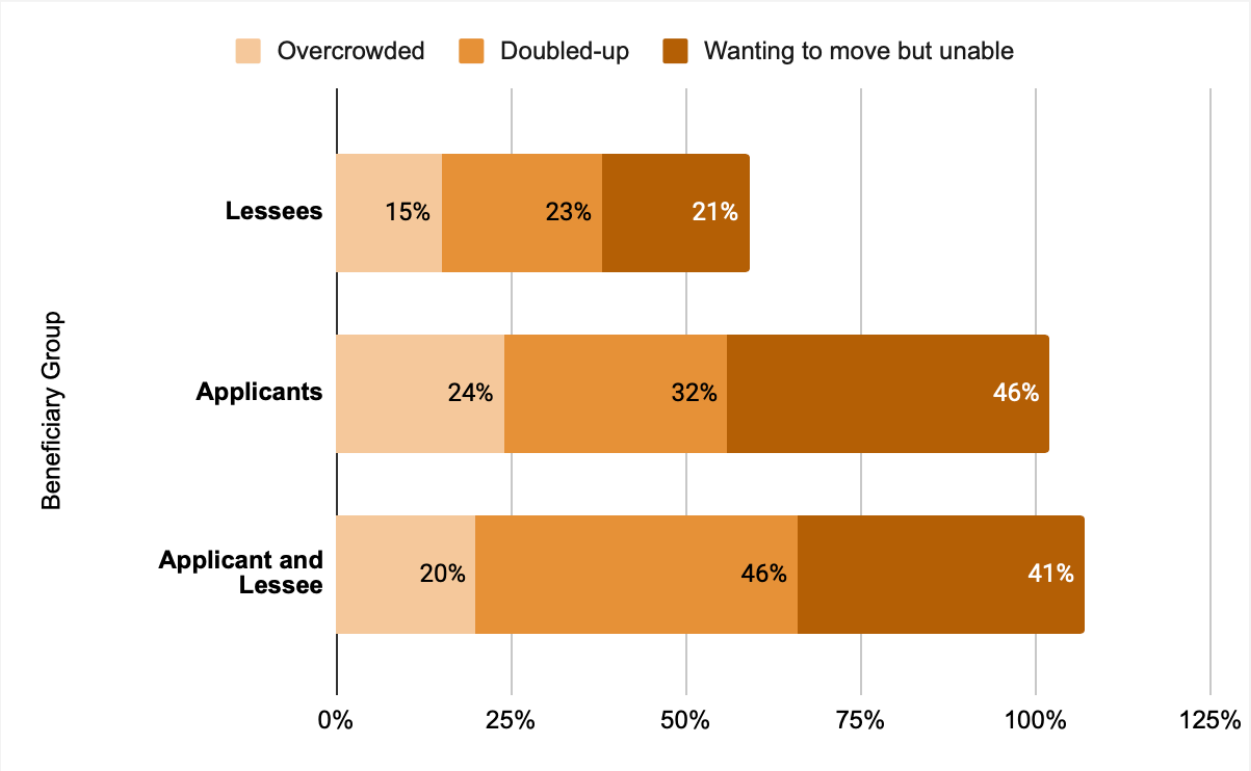
Housing size preferences among Native Hawaiians balance aspiration and practicality. While 39.2% of DHHL applicants desire three bedrooms and 41.9% seek two bathrooms, many are willing to compromise, with 33.5% accepting two bedrooms and 48% managing with two bathrooms as a minimum. Note that this cannot be judged to be an accurate representation of what applicants want in their DHHL award. This is more likely an indication of what they expect to have to do in the next several years if they believe they are unlikely to receive their award within that time frame. This flexibility aligns with current conditions—41–44% of lessees and applicants live in three-bedroom homes with two bathrooms (32–39%)—but emphasizes the need for affordable designs meeting these modest standards.

Building on earlier affordability trends, Applicants face the heaviest burden (50% cost-burdened), driving compromises like the $724 median rent for Applicant and Lessee households. Applicant homeowners face steep monthly mortgages at $2,851, far exceeding the $1,500–$2,499 ceiling 39.8% of applicants can afford, compared to 44% of Lessees and 40% of Applicant and Lessee households. Honolulu County, with 53.5% of lease demand, exemplifies this mismatch as costs push beneficiaries toward neighbor islands or out-migration.

The 75.7% preference shapes demand, with **Table 39C** showing 4,144 of 4,650 needed units as single-family, despite affordability gaps. This aligns with the 54% of applicants seeking turn-key single-family options and reflects cultural and practical preferences for spacious, independent living, despite affordability challenges that limit down payments and monthly budgets. Note that the 8,508 total units, including the 4,144 single-family units, reflect near-term demand calculated using a distinct methodology due to data limitations, not a direct subset of the statewide 64,490-unit need. Among applicants planning to stay in Hawai‘i, 49% intend to purchase their next home, with 90.5% expressing willingness to buy if affordable options were available. However, financial constraints are evident: 38.1% can afford less than $25,000 for a down payment, and monthly housing cost tolerances peak at $1,500–$2,499 for 39.8% of applicants, falling short of median mortgage payments ($1,959 for lessees). This gap highlights the need for subsidized financing or turn-key options to bridge ownership aspirations and economic realities.

Overcrowding and doubling-up further strain lower-income households. Lessees report the lowest rates (15% overcrowded, 23% doubled-up), compared to Applicants (24% and 32%) and Applicant and Lessee households (20% and 46%). Twice as many Applicant (46%) and Applicant and Lessee (41%) households, versus Lessees (21%), have members wanting to move out but lacking resources. This reflects broader instability, as evidenced by homelessness trends (detailed later).

FIGURE 32: HOUSING CHALLENGES AMONG DHHL BENEFICIARY CATEGORIES



Notes: The chart shows the percentage of households experiencing housing challenges across three DHHL beneficiary categories. Overcrowding is defined as more than two persons per bedroom. Doubled-up refers to households containing multiple family units that would prefer to live separately. "Wanting to move but unable" indicates households with members who would like to move to their own housing but lack financial resources to do so. Source: *2023 DHHL Beneficiary Demand Survey*.

Despite these challenges, 98% of DHHL lessees intend to pass their leases to children or relatives, underscoring a deep cultural commitment to these lands.

2. HHCA-Eligible Households

Beyond current DHHL beneficiaries, an estimated 16,898 Hawai‘i households include at least one member who is 50% or more Native Hawaiian but is not currently a DHHL Applicant or Lessee. Though eligible for DHHL benefits, these households represent untapped potential participation in homestead programs. Their geographic distribution mirrors the general population, with 67% residing in the City and County of Honolulu, 20% in Hawai‘i County, 11% in Maui County, and 3% in Kaua‘i County.[184]

The average household size among HHCA-eligible households is 3.32 persons, and they have a median household income of $72,216, similar to that of DHHL lessees. Beyond the 58% ALICE Threshold noted earlier, 63% face cost burdens, with 32% severely strained (>50% of

[184] Source: Bridging the Gap PIT Count, 2024.

income), amplifying mobility pressures. On Maui, financial vulnerability is acute, with 47% struggling post-2023 fires, where 70% reported personal loss or hardship; 66% earn ≤80% AMI.

Housing tenure among HHCA-eligible households shows 52% own their current housing unit while 42% rent. The remaining households either occupy their accommodation without payment (2%) or report being homeless (5%). Their housing types are primarily single-family dwellings (54%), with apartments (19%) and condominiums (12%) representing other common options. These units typically include two (26%) or three (37%) bedrooms and one bathroom (48%). Mirroring the 75.7% trend, 66% prefer single-family dwellings, with 78.2% of movers reinforcing this demand, though 54% would consider affordable multi-family rentals on DHHL land, aligning with DHHL's 2019 award of 395 homestead lots, including turn-key and vacant options. On Maui, the 2023 fires displaced many, with 2,328 households (5,245 people) in non-congregate shelters as of January 2024, averaging 110.1 nights.[185]

Like DHHL beneficiaries, HHCA-eligible households experience significant housing challenges. Nearly 30% report overcrowded conditions, and 20% are doubled-up with multiple household groups sharing the same unit. Additionally, 35% include household members who wish to move out but lack the financial resources to do so. The significant mismatch in Honolulu County, where 67% reside but only 4,370 DHHL leases existed in 2022, highlights the geographic disparity in land availability and demand.

While 67% reside in Honolulu, 87.5% of movers target Hawai‘i Island (see applicant trends), highlighting untapped demand for affordable options outside urban centers. Almost half (49%) plan to move within the next five years, representing 7,914 households in transition. Among these, 14% plan to leave Hawai‘i entirely, and another 24% are uncertain about remaining in the state.

For those planning to stay in Hawai‘i, housing preferences and financial realities often conflict. While 43% hope to buy their next home and 42% expect to rent, a striking 95% of those planning to rent would prefer to purchase if they could afford to do so. Most desire single-family dwellings (66%) with three bedrooms (49%) and two bathrooms (48%), though many recognize they may need to accept smaller accommodations with two bedrooms (46%) and one bathroom (56%).

Interestingly, despite a preference for homeownership, 54% expressed interest in renting an affordable multi-family unit on DHHL land, aligning with DHHL's expanded housing offerings. Among those planning to stay in-state, 57.5% intend to purchase their next home, with 72% certain of their plans, though affordability remains a barrier: 32% can afford less than $25,000 for a down payment, and monthly housing costs peak at $1,000–$2,499 for 60% of these households.

Survey data from 87 HHCA-eligible households shows 57.5% intend to purchase their next home, with affordability limiting this ambition: 32% can afford less than $25,000 down, and 60%

[185] Source: BTG PIT Count, 2024, Pages 11–14.

target monthly costs of $1,000–$2,499. Income distribution highlights acute challenges, with 66% (11,153 households) earning 80% of AMI or less, and nearly 30% below 30% AMI.

3. Non-HHCA Native Hawaiian Households

The broader category of Native Hawaiian households—those with members of Native Hawaiian ancestry but below the 50% blood quantum threshold for DHHL eligibility—represents another significant segment of Hawai‘i’s housing market. This category includes households where at least one member has any degree of Native Hawaiian ancestry below 50%, and no household members have 50% or more Native Hawaiian ancestry. Their geographic distribution follows general population patterns, with 63% on O‘ahu, 20% in Hawai‘i County, 11% in Maui County, and 6% in Kaua‘i County.

These households have an average size of 2.97 persons and a median income of $72,373, similar to DHHL lessees, DHHL applicants, and HHCA-eligible households. While less than the statewide 73%, 62% earn ≤80% AMI, exacerbating their reliance on rentals amid cost burdens, with 58% below the ALICE Threshold.

Housing characteristics for this group show 55% living in single-family dwellings and 21% in apartments, with slightly more renting (48%) than owning (43%). Their typical housing includes two (29%) or three (28%) bedrooms and one bathroom (40%). Like other groups, 61% favor single-family homes, reflecting a consistent cultural priority, though affordability constraints (62% ≤80% AMI) drive interest in low-cost rental options, potentially supported by DHHL’s expansion of affordable units. Native Hawaiian households who rent pay a median monthly rate of $2,711, while homeowners have a median mortgage payment of $1,952.

Approximately 18% report overcrowded conditions, and 16% are doubled-up with other household groups.[186] One-quarter include members who wish to move out but cannot afford independent housing. Mobility trends show 37% plan to move within five years, with 16% intending to leave Hawai‘i and 17% uncertain. For those remaining (11,675 households), most expect to rent (63%), though 86% would prefer to purchase if feasible.

Housing preferences align with other Native Hawaiian groups, with 61% desiring single-family homes with three bedrooms (36%) and two bathrooms (40%), though many would accept two bedrooms (47%) and one bathroom (43%) if necessary. The concentration of 63% on O‘ahu parallels the 53.5% DHHL demand in Honolulu County, highlighting the geographic mismatch.

Nearly 30% spend more than half their monthly income on housing, intensifying affordability challenges noted earlier. Unlike DHHL lessees, DHHL applicants, and HHCA-eligible households, non-HHCA Native Hawaiian households cannot access DHHL resources, so their housing needs must be addressed through broader market solutions.

[186] Source: *2020 DHHL Beneficiary Study*, Page 27-28.

4. Retention Strategies for In-State Movers

Among Native Hawaiian households (both HHCA-eligible and not) committed to remaining in Hawai‘i, housing preferences signal opportunities to curb out-migration. With 49% of DHHL applicants and 57.5% of eligible households planning to buy within the state, the 75.7% and 78.2% preference underscores the need for affordable single-family options on neighbor islands like Hawai‘i Island. As noted earlier, 58.4% of applicants favor Hawai‘i Island, driving a need to realign the 5,077 units projected for Honolulu with beneficiary preferences for neighbor island development, where 87.5% of eligible movers also target Hawai‘i Island. This contrasts with the 14–16% planning to leave due in large part to cost pressures, suggesting that meeting these in-state preferences could mitigate cultural and demographic losses. For applicants, 90.5% would buy if affordable, emphasizing a shift from urban centers where 51.5% reside.

Financial realities temper these aspirations: 38.1% of applicants and 32% of eligible households can afford less than $25,000 down, with monthly budgets peaking at $1,500–$2,499 for 39.8% of applicants and $1,000–$2,499 for 60% of eligible households.[187] Among in-state movers, 32.8% of DHHL applicants and 27.9% of HHCA-eligible households would consider a townhouse or condo if single-family homes are unaffordable, and 37.2% of applicants and 37.1% of eligible households are willing to buy a leasehold property with a 60+ year lease if the land is owned by a non-profit. Subsidized financing or smaller-scale designs could align supply with these needs—33.5% of applicants and 42.7% of eligible households can live with two bedrooms, and 48% and 47.4% with two bathrooms.

For eligible households currently on O‘ahu (52 respondents), 71% plan to relocate to Hawai‘i Island, signaling a clear demand for neighbor island development over urban O‘ahu options, where only 13.2% intend to move.[188] This shift could leverage lower land costs on Hawai‘i Island to deliver affordable subdivisions, potentially reducing the 60.8% out-migration risk driven by housing costs.

5. Homelessness Among Native Hawaiians

Native Hawaiians face disproportionate risks of homelessness across all categories discussed. According to 2022-2023 Point-in-Time (PIT) Count data, Native Hawaiian households represent at least 37% (3,089 households) of those served in homeless programs statewide,[189] with 7,303 unhoused statewide. On O‘ahu, 51% of individuals counted in the 2024 PIT identified as Native Hawaiian or Pacific Islander (43% Native Hawaiian alone), with 40% in Kaua‘i, Maui, and Hawai‘i Counties. In 2022, 1,647 of 5,973 homeless persons statewide identified as Native

[187] Source: "Preferences Among Applicants Who Will or May Move and Will Stay in State," MOV10 and MOV11; "Preferences Among Eligible to Apply HH Who Will or May Move and Will Stay in State," MOV10 and MOV11, *2022-2023 Housing Demand Survey.*
[188] Source: "Preferences Among Applicants Who Will or May Move and Will Stay in State," MOV3; *2022-2023 Housing Demand Survey.*
[189] Source: Partners in Care (PIC) Point-in-Time (PIT) Count data, 2022-2023.

Hawaiian or Pacific Islander (27.6%), and on Oʻahu, 555 of 1,308 unsheltered individuals were Native Hawaiian, with 46% (256) of Native Hawaiians self-reporting HHCA eligibility.

Partners in Care (PIC) and Bridging the Gap (BTG) track ethnicity using different categories for Oʻahu and the neighboring islands, respectively. This presents a problem when attempting to total ethnicity counts statewide. The numbers in **Table 57** below represent the minimum number of Native Hawaiian households being served and placed into permanent housing across the state. Housing outcomes for Native Hawaiians in homeless programs lag slightly behind the general population. Only 11% of Native Hawaiian households exit from shelters to permanent housing, compared to 12% overall - generally this indicates a larger percentage that exit from shelters back to an unsheltered situation. These disparities reflect the compounding effects of historical inequities, economic challenges, and housing market pressures that disproportionately impact Native Hawaiian communities.

Housing outcomes for Native Hawaiians in homeless programs are meaningfully similar to the general population: only 11% exit to permanent housing, similar 12% overall but with greater representation among those experiencing homelessness as a whole. The 44% cost burden among lessees contributes to homelessness risks, as detailed earlier, compounded by poor housing conditions (47% of lessee homes require repairs) and multigenerational households. Additionally, 37% statewide report considering leaving Hawaiʻi due to housing costs, and on Maui, 45% of fire-impacted households currently live in temporary housing, reflecting ongoing displacement challenges.[190]

The 2020 Census revealed that 53% of Native Hawaiians now live outside Hawaiʻi, with 60.8% of 40,000 households planning to leave citing housing costs. This out-migration threatens cultural continuity.

TABLE 57: NATIVE HAWAIIAN PERMANENT HOUSING PLACEMENTS

	Overall Population		Native Hawaiian	
	Count	**Column %**	**Count**	**Column %**
Exited to PH	1008	12%	332	11%
Did Not Exit to PH	7303	88%	2757	89%
Total	8311	100%	3089	100%

Notes: PH stands for permanent housing. The table represents housing placement outcomes for Native Hawaiian households compared to the overall population served in homeless programs during the 2022-2023 reporting period.

[190] The statistic "45% of wildfire-impacted households currently live in temporary housing" is sourced from the University of Hawaiʻi Economic Research Organization (UHERO) *Maui Recovery Survey: Housing and Jobs*, February 2025 update, available at https://analytics.uhero.hawaii.edu/maui-recovery-dashboard/housing-and-jobs/housing/location (UHERO, "*Persistent income, employment, housing challenges for Maui's fire-impacted households*," March 17, 2025)

The analysis of Native Hawaiian housing conditions reveals several consistent patterns across different subgroups, including higher housing cost burdens, significant rates of overcrowding, and substantial waitlists for DHHL land awards. The data suggests correlations between these housing challenges and broader demographic trends such as out-migration.

Key Insights: Segments Within The Housing Market

- **Widespread Economic Vulnerability:** 58% of Native Hawaiian households fall below the ALICE Threshold, with 44% experiencing housing cost burden; 27% of DHHL beneficiaries express concerns about housing insecurity
- **Significant Waitlist Pressure:** DHHL faces a waitlist of 47,086 applications from 29,451 beneficiaries, while serving 10,045 current leases—representing substantial unmet demand for affordable homeownership.
- **Geographic Mismatch:** 51.5% of DHHL beneficiaries are in Honolulu County, but available DHHL land inventory is more available on neighbor islands, creating a spatial disconnect between demand and supply.
- **Overcrowding and Doubling-up:** Native Hawaiian households experience higher rates of overcrowding (15–24%) and doubling-up (23–46%) compared to the general population, reflecting adaptation to housing constraints.
- **Homelessness Overrepresentation:** Native Hawaiians make up 51% of Oʻahu's 2024 homeless population and 37% (3,089) of households served in homeless programs statewide (7,303 unhoused). Their 11% exit rate to permanent housing is similar to the overall 12%, yet they are disproportionately represented among the homeless, reflecting heightened housing vulnerability.
- **Outmigration Risk:** Among HHCA-eligible households planning to move within five years, 38% either plan to leave Hawaiʻi or are uncertain about remaining; overall, 53% of Native Hawaiians now live outside the state, with 60.8% of 40,000 departing households citing housing costs.
- **Neighbor Island Preference:** 58.4% of DHHL applicants and 87.5% of HHCA-eligible households prefer to relocate to Hawaiʻi Island, contrasting with their current Honolulu concentration (51.5% and 67%), highlighting a potential shift to address geographic mismatch.
- **Housing Unit Demand:** 8,508 units are needed for DHHL-eligible households by 2027, reflecting near-term housing need calculated using a distinct methodology due to limitations in estimating DHHL pipeline units, and not a direct subset of the statewide 64,490-unit need. Of these, 4,650 are for ownership and 3,858 are for rental, with nearly half (4,788) targeting households below 60% AMI, emphasizing the scale of affordable housing needs.

VII

HOUSING NEED OF GOVERNMENT PROGRAM CLIENTS

VII. HOUSING NEED OF GOVERNMENT PROGRAM CLIENTS

This section examines two segments requiring specialized housing approaches: individuals with special needs and those experiencing homelessness. The analysis shows that over 12,400 individuals with special needs currently require housing assistance in Hawai‘i, ranging from elderly residents needing accessibility modifications to persons with severe mental illness requiring comprehensive supportive services. Simultaneously, 7,303 homeless households remained unhoused in 2022 despite engagement with service providers, pointing to persistent gaps in both affordable housing and targeted support services.

For these populations, barriers extend beyond affordability. Many require physically accessible units, integrated healthcare services, substance abuse treatment, or other specialized supports to maintain stable housing. Geographic disparities further complicate access to services, with neighbor islands particularly affected by limited facility options that often require residents to relocate to O‘ahu for specialized care or forgo treatment. Through examining the current landscape of special needs and homeless housing programs, this section identifies critical service gaps while highlighting promising strategies that have successfully connected vulnerable populations with appropriate, sustainable housing solutions.

A. SPECIAL NEEDS HOUSING IN HAWAI‘I

Certain government-funded social service programs provide housing during treatment or after clients complete the program. While the special needs of program clients and the services offered by the programs may not always be centered on housing, most programs have a residential component. Housing professionals managing these programs require a range of housing options, including temporary shelter, transitional housing, permanent supportive housing, and market housing for program graduates.

1. Definitions

This study examines eight special needs groups defined in **Table 58**, consistent with previous HHPS reports. These groups vary dramatically in size and characteristics—from elderly persons (20% of the population) to persons with HIV/AIDS (fewer than 2,500). Housing needs differ accordingly; most non-frail elderly have established housing, while virtually all youth exiting foster care require housing assistance.

Though not defined in housing terms, all special needs groups face challenges accessing safe, affordable housing. Program managers report that even when their services don’t directly include housing assistance, finding suitable housing remains a critical need for clients completing their programs. While many homeless programs focus primarily on housing needs, this report maintains the traditional HHPS approach of analyzing homeless and special needs populations separately.

TABLE 58: TYPES OF SPECIAL NEEDS GROUPS

Special Needs Groups[1]	
Elderly	People aged 62 and up. Individuals aged 75 and up are recognized as a population with different needs than those 62-74, so the CHAS (Comprehensive Housing Affordability Strategy) data separates these groups. The elderly are individuals 62-74, while those 75 and up may be referred to as frail elderly.
Frail Elderly	**A subset of the elderly population** who are afflicted with physical or mental disabilities that may interfere with the ability to independently perform activities of daily living (i.e., bathing, dressing, toileting, and meal preparation).
Persons with alcohol or other drug addictions	Persons whose impairment or disability is connected to alcoholism or other drug addiction
Persons with disabilities	Any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such an impairment. A physical or mental impairment includes hearing, mobility and visual impairments, chronic alcoholism, chronic mental illness, AIDS, AIDS Related Complex, and intellectual disability that substantially limits one or more major life activities. Major life activities include walking, talking, hearing, seeing, breathing, learning, performing manual tasks, and caring for oneself.
Persons living with HIV/AIDS	A person with the disease of acquired immunodeficiency syndrome or related diseases, or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome, including infection with the human immunodeficiency virus (HIV).
Persons living with severe mental illness	Persons with a severe and persistent mental or emotional impairment that seriously limits his or her ability to live independently, and which impairment could be improved by more suitable and/or stable housing conditions.
Victims of domestic violence	Victims of felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic violence or family violence laws of the jurisdiction.
Youth exiting foster care	Youth who are aging out of the foster care system.

Source: RFP for the 2024 HHPS.

The remainder of this section relies on several information sources, including:

1) **Government websites**, primarily from the Hawai'i Department of Health, which provides data regarding the availability of distinct types of facilities;
2) **The Homeless Management Information System** (HMIS) from January 2022 to December 2022; in particular, this data is relevant as it includes records of individuals classified under special needs who were experiencing homelessness;
3) **The *2022-2023 Hawai'i Housing Demand Survey***; and
4) **Executive interviews** conducted among eight individuals representing six organizations that serve the needs of special populations.

In 2020, a group of researchers from the University of Hawai'i at Mānoa (UHM), sponsored by the HHFDC, completed a study to measure housing needs in these target populations.[191] Their methods were similar to those in past HHPS reports, and the study was professionally

[191] Nishita, Christy M., Lisa Maetani, Leslie K. Okoji, and Tammy Tom. 2020. Need for housing among individuals with access and functional needs in Hawai'i 2019-2020. Prepared for the Hawai'i Housing Finance & Development Corporation; Hawai'i Department of Business, Economic Development and Tourism, July 2020.

executed. Among their findings, and serving as a caveat for the reader, were several issues, noted listed in the paragraph above. This type of research is challenging. The UHM team was successful, however, in presenting an estimate of the number of special needs program clients with a need for housing. They reported that 37,031 Special Needs Program clients expressed a need for housing in 2020.

The authors targeted the same types of service providers shown in **Table 58**: elderly persons, people with physical and severe mental disabilities, those transitioning from incarceration, emancipated foster youth, individuals with alcohol or drug addiction, people living with HIV/AIDS, and victims of domestic violence. In addition, they included all homeless services programs in the State. By definition, people in homeless programs need housing, and HHPS has traditionally covered them separately from special needs groups. The UHM study attests to this as they found that 89% of all housing needs they measured originated in the homeless programs.

The UHM study is the most reliable measure of housing need among this subset of the population that we have to date. It estimates the number of special needs and homeless program clients who need assistance finding and securing housing. They are all people who are known to agencies providing care. Maybe higher for those who haven't been able to access care. The 2020 UHM study tells us virtually all needs can be filled by providing rental units (p.13). Most requests (84%) came from individuals rather than families, and they wanted studio or one-bedroom apartments (93%). Of those who wanted family units, very few wanted 2-bedroom places, and the largest requested unit was 4 bedrooms.

2. Persons Served by Program Type

Table 59 below shows the estimated number of individuals served by special needs programs and the percent change between 2019 and 2022. In the last column titled DBEDT, we have added the UHM study housing need estimate for 2020.

Only three of the seven segments showed increased numbers served and/or estimated need. These three saw greater demand for their services and greater need for housing: frail elderly, HIV/AIDS, and domestic violence shelters. The remainder reported noticeably lower demand in 2022 than in the pre-pandemic year 2019. Comments from program directors suggested that demand for shelter fell during the pandemic, and while it has risen in the interim, demand has not recovered to the level reached in 2019.

HHPS and the UHM study authors agree that there are many assumptions required to sum the individual estimates of persons served and persons with housing needs. The numbers provided are sourced from various reports, and each organization uses its own definitions and data collection methods. Response from the programs is voluntary, and not all programs provide data. Among those who do respond, some feel uneasy about reporting sensitive information and withhold that data. The analysis is based on self-reported data and is considered

conservative. In addition, when quantifying the number of individuals in any one segment, individual clients may have more than one special need. For example, a disabled person may also be older than age 65 and have substance abuse challenges.

After removing the homeless group clients from the UHM study results, the housing need affected 14,009 individuals. In the corresponding year, **Table 59** shows a housing need for 11,441 individuals. That is likely because the UHM methodology is superior to estimating housing needs for these populations from secondary data. The initial HHPS estimate was about 22% lower. Applying that rate to our 2022 estimate by the same ratio, the adjusted estimate is 12,423 individuals with housing needs.

The most significant increase in numbers are domestic violence survivors receiving non-residential services, and the amount of people served in one day. However, the importance of housing access can be life or death for this population, with service providers pointing to housing access as one of the critical drivers in whether or not those experiencing domestic and intimate partner violence feel as though they can leave the household. The increase over the past period may be impacted in part by reported increases in domestic violence during the Coronavirus Pandemic (COVID-19) lockdown periods and resource limitations during this time. Survivors typically seek services such as emergency shelter, housing, transportation, childcare, legal representation, and other forms of support that programs cannot provide. Notably, within the unmet service requests, 48% were related to housing and emergency shelter between 2019 and 2022.

The number of foster care children exiting because of emancipation increased by 23% from 2021 to 2022. The amount of people aging out of the foster care system decreased by 5% from 2021 to 2022. Young adults who exit the foster care system need to secure housing when they age out, yet some report that over half become unsheltered within the first two years after they exit the system, and many more become trafficked. Limited federal vouchers under the Family Unification Program (FUP) through HUD provide some temporary relief but are limited in time and availability, and narrow in qualifications. As with other voucher programs, they also rely upon there being units available in the market for the voucher to pay for, which is lacking in most counties. The lack of transitional programs to provide financial assistance and support for foster kids aging out may increase the number.[192]

[192] *Hawai'i Foster Kids Are Sleeping In Hotels And State Offices. They Have Nowhere Else To Go* Civil Beat. https://www.civilbeat.org/2023/06/hawaii-foster-kids-are-sleeping-in-hotels-and-state-offices-they-have-nowhere-else-to-go/. Accessed 08/29/2023.

TABLE 59. PERSONS SERVED BY SPECIAL NEEDS PROGRAMS, 2019 AND 2021

Special Needs Group			Population				Percent Change	Source	DBEDT
			2019	2020	2021	2022			
1	Elderly	Elders (65+)	265,592	256,837	278,272	289,698	9%	ACS 1-yr estimates, Table DP02	1,932
		With independent living difficulty	12,960	14,302	14,232	16,288	26%	ACS 1-yr estimates, Table B18107	
		Elderly	3,886	4,302	4,793	6,595	70%	ACS 1-yr estimates, Table B18107	
		Frail elderly	9,074	10,000	9,439	9,693	7%	ACS 1-yr estimates, Table B18107	
		Receiving aid	928	1,029	1,028	1,043	12%	Hawai'i Department of Health Data Book, 2021	
2	Substance Abuse Programs	ER Discharges related to SAbuse	14,296	13,896	13,452	12,067	-16%	DOH, Behavioral Health Dashboard	2,974
		ADAD Clients	10,482	7,250	7,056	7,701	-27%	DOH, Behavioral Health Dashboard	
		In clean and sober housing	434	259	288	279	-36%	DOH, Behavioral Health Dashboard	
		Adult SA clients in treatment	3,905	2,860	2,594	1,942	-50%	SAMSA, 2021 N-SSATS, NSUMHSS after 2020	
		Facilities	167	161	128	124	-26%	SAMSA, 2021 N-SSATS, NSUMHSS after 2020	
		Discharge planning services	161	159	127	121	-25%	SAMSA, 2021 N-SSATS, NSUMHSS after 2020	
3	Domestic Violence	Persons served on one day	578	839	532	847	47%	NNEDV, 16th Domestic Violence Counts Reports	736
		In DV shelters	246	281	264	316	28%	NNEDV, 16th Domestic Violence Counts Reports	
		Non-residential services	332	558	268	531	60%	NNEDV, 16th Domestic Violence Counts Reports	
		Persons with unmet needs	58	90	67	51	-12%	NNEDV, 16th Domestic Violence Counts Reports	
		Unmet need was for housing	37	47	16	27	-27%	NNEDV, 16th Domestic Violence Counts Reports	
4	HIV/AIDS	Cumulative HIV cases (all stages)	4,831	4,871	4,941	5,040	4%	DOH, HIV/AIDS Surveillance Annual Reports	383
		Living with HIV	2,347	2,164	2,207	2,235	-5%	DOH, HIV/AIDS Surveillance Annual Reports	
		Newly diagnosed	92	80	95	96	4%	DOH, HIV/AIDS Surveillance Annual Reports	
5	Serious Mental Illness	Total persons	44,000		41,000	62,000		SAMSA, Nat. Survey on Drug Use & Health	7,402
		Emergency discharges for mental health	15,458	16,784	17,957	10,825	-30%	DOH, Behavioral Health Dashboard	
		Total unique consumers, AMDH	5,606	5,488	5,601	5,530	-1%	DOH, Behavioral Health Dashboard	
		In clean and sober housing	20	15	28	41	105%	DOH, Behavioral Health Dashboard	
		Number of group home beds			759			DOH, AMHD, 2021 Community Report, 2021	
6	Department of Public Safety	Inmates in correctional facilities	3,613	3,222	2,935	3,119	-14%	Hawai'i Databook, 2023, Section 4, Table 4.20	499
		Inmate population (June)	3,591	3,195	3,036	3,099	-14%	Department of Public Safety, Annual Reports	
		Released prisoners	12,597	11,562	6,599	6,135	-51%	Department of Public Safety, Annual Reports	
		Individuals released with reentry plan	919	1,077	513	608	-34%	State of Hawai'i, Department of Public Safety, Annual Reports	
7	Foster Care	Children in foster care	2,875	2,682	2,566	2,292	-20%	U.S. HHS, OACF, Children's Bureau, AFCARS Report	83
		Children exiting foster care	1,169	1,089	1,138	952	-19%	U.S. HHS, OACF, Children's Bureau, AFCARS Report	
		Exits to emancipation	84	71	84	103	23%	U.S. HHS, OACF, Children's Bureau, AFCARS Report	
		Persons aging out (emancipation)	84	68	88	80	-5%	Hawai'i Department of Human Services, Databook	
		Children exiting foster care	1,261	1,113	1,192	1,189	-6%	Hawai'i Department of Human Services, Databook	
		TOTAL	12,112	11,441	10,451	10,146	-16%	ACS 1-yr estimates, Table DP02	14,009

Full citations for sources are available in the bibliography in this report.

The number of parolees and ex-offenders in 2021 decreased by 38% compared to 2019. Notably, this group's numbers have been unstable over the past five years, with no discernible trend or explanation provided.

While the number of individuals living with HIV/AIDS has seen a slight increase, understanding the need for housing support is more complex. Historically, many of these individuals have been discriminated against in fair housing treatment, leading to the establishment of a number of HUD-supported housing programs to ensure access to care and safe housing. Under the Federal Administration taking office in 2025, it is unclear whether these housing opportunities will continue to be supported, especially as the leadership signals a desired elimination of programs that support disproportionately impacted populations. Additionally, while the need for continued support is critical to the health and wellbeing of these populations, it is unclear the number that need additional supportive housing versus those that are stable in independent housing. Especially given the volatility at the federal level, this is an area recommended for future HHPS to increase its depth of consideration.

Some important factors to consider when using these data points include:

1. UHM and HHPS is limited to measuring persons in special needs programs. Group members not currently receiving services are not represented, which results in an underestimate of need. Future HHPS might consider increasing research in this area to ensure demand includes those outside existing programs.
2. Not all program clients who need access to housing will need market housing. Some will be reunified with their previous households, some will enter new residential programs, and others will move to permanent supportive housing. That will result in an overestimate of the need for market housing units.
3. Even in well-measured estimates, housing need among special needs groups in programs is part of pent-up demand. The people are group quarters residents and not part of the population used to estimate demand. They will appear as new market demand when they exit the programs and enter occupied housing units.

All things considered, the impact of 12,423 special needs program clients on Hawai'i's housing markets may be much lower in terms of households or housing units. Critically however, housing for many of these populations is dire and a core component of their being able to manage other co-occurring factors. For a number of years, national policy in housing trends has moved away from expecting proper treatment and care to occur effectively while a person is dealing with housing instability and trauma. Rather, stable housing as a pre-conditional core component of special needs populations has had tremendous positive outcomes.[193] This might encourage in the future an approach that leans more heavily towards over-estimating rather than under-estimating demand.

[193] See https://homelessness.hawaii.gov/housing/ for reports on Housing First in Hawai'i with positive reported outcomes on 43% decreased costs for healthcare, significantly increased housing stability even for those with a history of chronic homelessness, and increased community engagement following provision of stable housing.

3. Current Supply of Housing for Special Needs

There are currently 115,240 households in Hawai‘i where individuals live alone. Among these single households, 23% have special needs.[194] Many of them have independent living challenges or will need some level of care in the future. Depending on their specific needs, they may be cared for by family members, receive services in their home, or have modifications made to their home to enable them to remain safe and stable in place.

TABLE 60: AFFORDABLE HOUSING UNITS FOR SPECIAL NEEDS POPULATIONS

		O‘ahu	Hawai‘i	Maui	Kaua‘i	Moloka‘i	State
Special Needs	No. of Facilities	24	11	9	4	0	48
	Available Units	347	90	95	37	0	569
Elderly	No. of Facilities	60	25	13	11	1	110
	Available Units	5820	929	793	360	85	7987

Source: Affordable Rental Housing Inventory, DBEDT as of August 2023.

a. Domestic Violence Shelters

As of September 2022, 16 facilities statewide offered temporary shelter for domestic violence survivors. The capacity of these shelters varies because some have a “no turn away” policy, meaning they will accommodate as many survivors and family members as necessary. Stays at these facilities can last up to 120 days (about four months). Staff members work with survivors to find appropriate long-term residences during their stays.[195] Most of these locations are confidential due to safety reasons.

b. Special Treatment Facilities

A “Special Treatment Facility” is a facility that provides a therapeutic residential program for care, diagnosis, treatment, or rehabilitation for socially or emotionally distressed persons, mentally ill persons, persons suffering from substance abuse, and developmentally disabled persons. As of April 2023, there are 27 such facilities across Hawai‘i. Six are located in Hawai‘i County, three in Maui County, and 18 in CCH. There are no in-patient facilities on Kaua‘i, a need that was expressed by service providers. The number of beds and vacancy level for each facility are unknown at this time.[196]

c. Therapeutic Living Programs

“Therapeutic Living Programs” (TLPs) are longer-term (up to 6 months) residential programs for adults with severe and persistent mental illness who do not need the care of a specialized treatment facility. The program’s main goal is to help clients meet their basic needs until they can transition into an independent living option of their choice. Support is flexible, focused, and

[194] Source: State of Hawai‘i, Draft 5-Year Consolidated Plan PY2025-2030
[195] 17th Annual Domestic Violence Count, Hawaii Summary conducted 09/07/2022.
[196] Hawai‘i Department of Health, Office of Healthcare Assurance, State Licensing Section, April 2023.

based on recovery. There are 11 TLPs statewide as of April 2023: six in Hawai'i County, one in Maui County, and four in CCH. It is unclear how many beds or vacancy levels are available for each facility.[197]

d. Developmental Disabilities Domiciliary Homes

"Developmental Disabilities Domiciliary Homes" are described under Chapter 333F, Hawai'i Revised Statutes, and entitled Services for Persons with Developmental Disabilities or Mental Retardation. They provide 24-hour supervision or care, excluding licensed nursing care, for a fee, to not more than five mentally challenged adults or adults with or developmental disabilities As of April 2023, there are 47 of these facilities statewide: one in Hawai'i County, four in Maui County, and 42 in CCH. The number of beds and the occupancy rates for these facilities are unknown.[198]

e. Community Care Foster Families

"Community Care Foster Families" serve seniors and disabled persons by providing housing, supervision, direct care, and management of resident's non-medical and medical service needs. As shown in **Table 61** below, there are 1,240 homes with 3,145 beds statewide as of January 2023. This is an increase from the 1,166 homes and 2,975 beds in 2019. To be more specific, this is an increase of 74 homes and 170 beds. These homes serve a mix of Medicaid and private paid patients. It seems that throughout the years, the amount of Community Care Foster Families has increased.[199]

TABLE 61: SUPPLY OF COMMUNITY CARE FOSTER HOMES

	O'ahu	Maui	Hawai'i	Kaua'i	Moloka'i	Statewide
Number of Homes	1,053	57	108	21	1	1,240
Capacity	2,658	143	293	49	2	3,145

Hawai'i Department of Health, Office of Healthcare Assurance, State Licensing section, Jan 2023.

[197] Hawai'i Department of Health, Office of Healthcare Assurance, State Licensing section, April 2023.
[198] Hawai'i Department of Health, Office of Healthcare Assurance, State Licensing section, April 2023.
[199] Hawai'i Department of Health, Office of Healthcare Assurance, State Licensing section, Jan 2023.

f. Adult Residential Care Homes I and Adult Residential Care Homes II

Adult Residential Care Homes (ARCH) I and II serve adults with minimal service needs, assisting with activities of daily living, while Expanded Services Program (EXP) and ARCH II-EXP provide 24-hour assistance, including skilled nursing services if needed. As of April 2023, the Hawai‘i Department of Health, Office of Healthcare Assurance, reported 761 licensed ARCH homes statewide, offering a total capacity of 4,591 beds. This includes 433 ARCH I homes, 37 ARCH II homes, 257 EXP homes, and 34 ARCH II-EXP homes, reflecting a range of care levels for adults with special needs. This supply marks an increase of 300 homes and 2,079 beds since 2019, indicating growth in housing options for this population. However, vacancy data from 2023 could not be verified due to inconsistencies in reported rates, limiting insights into actual utilization. More recent data from 2025 shows a decrease to 469 facilities with a capacity of 2,688 beds, suggesting a potential reduction in supply or changes in reporting, though direct comparisons are challenging due to differing data formats. Further investigation is needed to assess whether the current supply effectively meets the needs of the 23% of single households in Hawai‘i with special needs.[200]

4. Needed Units for Special Needs Population

As outlined in the 2020-2025 Consolidated Plan, the State’s primary focus in this area is the development and renovation of infrastructure. Regarding Special Needs Housing, the focus outlined is on expanding Domestic Violence Emergency Shelters and enhancing support services for persons with AIDS. Three types of units are required for this population:

- Units in care homes with appropriate services,
- Temporary units in transitional programs, and
- Housing units for people exiting programs.

Single Room Occupancy (SRO) housing is a more communal style of housing that has regained recent interest as a way to develop less expensive units that provide privacy for individuals and shared resources to create more of a community. Used in the early 1900s in the United States, SROs generally consist of multiple single-room dwelling units intended for occupancy by a single eligible individual. These units generally include a private sleeping and bathroom area with shared kitchen and living room style spaces. Residential special needs housing often follows this model, and new developments for persons experiencing homelessness such as Kahauiki Village and recent Kauhale are a form of this model. This and other communal models may be worth deeper research for potential opportunities especially among populations that benefit from greater care and support networks.

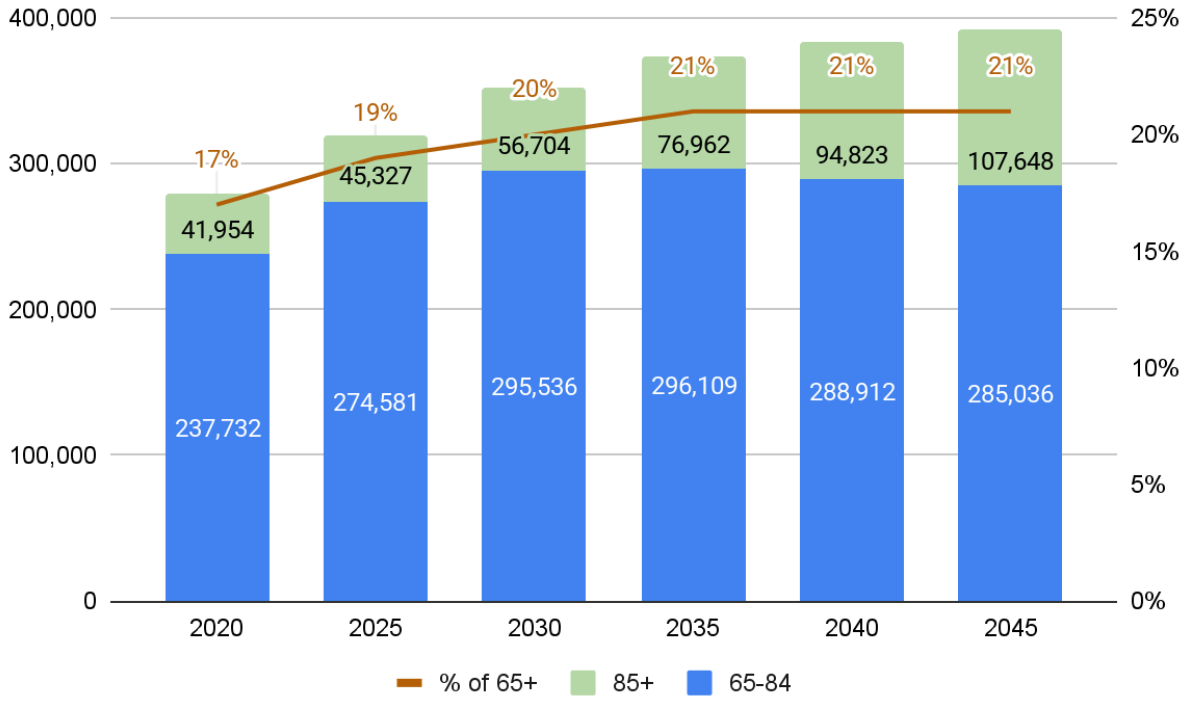
[200] Department of Health Office of Health Care Assurance, State Licensing Section.

a. Currently in Housing, Need for Care Homes/Facilities, or In-Home Services

Hawai‘i has the fastest-aging population in the country, according to the data from the U.S. Census Bureau. The largest special needs group is our seniors. **Table 59** shows 289,698 people aged 65 or older in 2022, resulting in a 9% increase since 2019. *The DBEDT 2045 Series Report* indicates that Hawai‘i’s population below age 65 will grow very little between 2025 and 2030, and there may even be a decrease. However, the number of persons aged 65+ will increase significantly from 319,908 to 352,240 for the same time period (10%; **Figure 33**).

Based on the 2021 65+ category with independent living difficulties (14,232 individuals), there is one “bed” in a care home or facility for every three seniors. Using the historical growth trend from **Table 59**, the number of seniors with independent living difficulties is projected to reach 28,357 by 2030. If the demand remains the same, Hawai‘i will require 9,452 beds by 2030, an increase of approximately 4,712 beds from 2021.

FIGURE 33: SENIOR POPULATION PROJECTION, STATE OF HAWAI‘I, 2020-2045



Source: The DBEDT 2045 Series Report

With around 30% of seniors cared for in a home or facility, family or care services will likely be required for many of the other 16,000 plus seniors in the state for 65+ residents with independent living difficulties. While some seniors may choose to age in place, many more will be forced to remain in their homes or with family due to lack of options. These homes will likely

require retrofitting with features such as grab bars, ramps, emergency call systems, special telephones for the blind, and other elements to support their needs.

Individuals with a serious mental illness (SMI) may also be seeking beds in a home or facility. The number of persons with SMI will increase proportionally between 2025 and 2030. In 2021, 24% of individuals with any mental illness received some service (including residential).[201] Assuming this group still makes up 2.8% of the population, this would equate to 42,148 individuals by 2030.

b. Need for Shelter/Clinic/Transitional Housing, then Permanent Housing

The special needs groups seeking residential shelters or clinics (a form of transitional housing) are domestic violence survivors, persons in foster care, and some persons living with HIV or AIDS.

There are 16 identified domestic violence programs in Hawai‘i, three fewer compared to 2019, despite the need for more support. Additionally, only some programs provide shelter for survivors as part of their services. The demand for services and housing remains consistent, with many people seeking housing assistance, such as emergency shelters, hotels, motels, and other housing options. In one night in 2023, there was an estimated need for 539 units for survivors, and many likely had children with them. The most needed unit type among survivors is a single unit for adults, comprising approximately 70% of domestic violence survivors.

Domestic Violence service providers believe the need is much higher, and the rate of Domestic Violence is only increasing. Lack of options is one of the most cited reasons some survivors do not exit their situation; over time, more people who are abused may seek assistance, especially if it is believed that there are options available. If the rate of Domestic Violence increases at the same rate as the population, and assuming the identified need increases at the rate of a population of age 25 or more, an additional 50 units will be required at a minimum by 2030. Most of the survivors’ shelters will need affordable and safe housing.

There are 5,217 Substance Abuse residents in treatment programs. Some of these programs are residential treatment facilities. If the number of offenders increases at the same rate as the population, there will be 5,791 offenders seeking treatment in 2030. Likewise, current residential treatment programs will have to increase their availability accordingly. Upon the completion of residential treatment, persons recovering from substance addiction may move into sober houses, many of which are expected to be transitional in nature. Upon completing the program, they will need assistance finding housing and subsidies to pay for rent while seeking employment.

[201] National Alliance on Mental Illness (NAMI), Mental Health in Hawaii, https://www.nami.org/NAMI/media/NAMI-Media/StateFactSheets/HawaiiStateFactSheet.pdf, February 2021.

In one year, the Hawai'i Paroling Authority identified 462 parolees and existing offenders, marking a significant 46% decrease from the numbers recorded in 2019. There has been no replacement for the Federal Halfway Housing since the closure of 2019. Although some programs offer temporary and transitional housing options for these individuals, most of these services only extend up to six months. After this period, they are left to fend for themselves once again leading to higher rates of homelessness and recidivism. Given that many of these parolees and offenders also struggle with mental illness, there is a pressing need for permanent housing and supportive services. Following their stay in transitional homes, around 462 housing units per year will be required to accommodate those transitioning back into society. However, it remains uncertain whether the number of individuals released each year will increase in the next five years.

Each year, approximately 88 youth age out of the Foster Care system. They need a transitional group setting that provides the training and resources to find employment. By 2030, it is estimated that at least an additional 15 units per year will be needed.

5. Barriers to Housing Access for Special Needs Individuals

a. Economic Barriers

Persons with special needs often cannot afford adequate market-rate housing due to low employment rates. Interviews with service providers highlighted special needs clients' ongoing challenges when securing stable jobs with sufficient pay to cover market-rate rents. These obstacles are often linked to disabilities, employer reluctance to hire those with criminal backgrounds, lack of specific skills, or the lack of accessible transportation to commute to work. For those able to find employment, there is a significant gap between the minimum wage (currently $14 per hour) and the wage needed to afford a studio ($29.26 per hour).

Individuals exiting prison often leave without cash, food, transportation, or community support. Many do not have a high school diploma or work experience, and many suffer a physical disability or mental illness. Recent reports have raised that many even exit prison without a State ID, making access to housing, employment, and healthcare even more challenging.

Foster children aging out of existing care are experiencing an increasingly worse situation, with some forced to seek temporary accommodation in hotels or state offices. Aging out of the foster system puts these young adults at a severe disadvantage since they have likely grown up without a stable environment. Providing them with proper training and healthcare services is crucial, but one of the most critical aspects is facilitating access to safe and affordable housing.

Organizations interviewed highlighted the challenges faced by elderly individuals with very low incomes. Even a modest $950 monthly rental is beyond what they can afford. Senior assisted living facilities are expensive, leaving them with no choice but to seek affordable rental options on their own. Many of these seniors prefer to live in town due to its proximity to pharmacies and

other essential services. However, rental costs in Honolulu are considerably higher than in other areas. They also seek specific amenities that further limit their housing options. Moreover, many do not meet the minimum income requirements for most rental properties, making it difficult for them to find suitable housing options.

The UHM study mentioned earlier reported similar findings. The chief barriers to housing access were homelessness (66%), not enough income (22%), poor rental history (3%), poor credit history (3%), needs to obtain documents (3%), criminal history (2%), and other (1%).[202]

b. Discrimination for Special Needs Groups

The Fair Housing Act (42 USC §3601) protects against discrimination based on race, color, religion, sex, ancestry, disability, marital status, familial status, and age. Hawai‘i Fair Housing Act (HRS §555) additionally prohibits against discrimination based upon sexual orientation, gender identity expression, and HIV status. However, despite the protections offered by these laws, special needs groups continue to experience housing discrimination. Stakeholders and service providers discuss discrimination faced at times by clients who are homeless, veterans, single parents, or gay.

For instance, many landlords are hesitant to rent to individuals and families receiving housing vouchers; they may perceive them as low-income and, therefore, less desirable than other tenants. With the passage of Act 310 in 2022, State law now prohibits discrimination in rental transactions based on participation in the federal housing choice voucher program. Its impact on this form of housing discrimination is yet to be determined.

In addition, landlords are often hesitant to rent to individuals with criminal records, and there are currently limited laws to prevent this form of discrimination.

c. Challenges for Voucher Holders

The process of applying for Section 8 can be lengthy and complicated. To get on the waiting list, there is a lottery. Once applicants get on the waiting list, their housing vouchers may only be valid for 18 months. It can be challenging to find a suitable unit within this limited timeframe with some reports showing that especially in Maui county, some households lose access to their voucher because they are unable to find units that meet the HUD Housing Quality Standards at market rates within the period allotted. This leads to further frustration and disenfranchisement among families already struggling.

Many seniors face additional challenges as they may not be fully aware of the regulations and procedures involved or may not have comfort and access to systems that have moved into digital access. Consequently, they might need to remember to update the necessary documents, leading to the loss or expiration of their housing vouchers. Some counties have created partnerships between libraries and public offices with computer access to support their application process.

[202] Nishita, et.al., p. 9.

TABLE 62: ASSISTED LIVING FACILITIES

	Oʻahu	Maui	Hawaiʻi	Kauaʻi	Statewide
No. Facilities	14	1	1	1	17

Source: *2021 DBEDT The Elderly Population in Hawai*ʻi report.

Assisted Living Facilities (**Table 62**) combine housing, meal services, health care services, and personalized support services designed to respond to individual needs. According to *The Elderly Population in Hawaiʻi* report,[203] there were 17 assisted living facilities with 2,367 assisted living units. Assisted living units often have the capacity to accommodate up to two residents. The research team reached out to the assisted living facilities and found that most are 80% or more occupied and heavily concentrated in CCH.

TABLE 63: SKILLED NURSING AND INTERMEDIATE CARE FACILITIES

	Oʻahu	Maui	Hawaiʻi	Kauaʻi	Lānaʻi	Statewide
No. Facilities	29	3	7	5	1	45
Capacity	2,759	449	772	333	10	4,323

Source: Hawaiʻi Department of Health, Office of Healthcare Assurance, State Licensing Section.

Skilled Nursing Facilities (SNF) and Intermediate Care Facilities (ICF) provide specialized medical and rehabilitative care for individuals with complex health needs, often requiring 24-hour supervision. According to the Hawaiʻi Department of Health, Office of Healthcare Assurance, there are 45 such facilities statewide, with a total capacity of 4,323 beds. These facilities are distributed across Oʻahu (29 facilities, 2,759 beds), Maui (3 facilities, 449 beds), Hawaiʻi (7 facilities, 772 beds), Kauaʻi (5 facilities, 333 beds), and Lānaʻi (1 facility, 10 beds). These facilities cater to residents needing intensive medical support, including post-hospitalization care or long-term care for chronic conditions.

TABLE 64: OTHER INTERMEDIATE CARE FACILITIES

	Oʻahu	Maui	Hawaiʻi	Kauaʻi	Statewide
No. Facilities	12	4	0	0	16
Capacity	57	24	0	0	81

Source: Hawaiʻi Department of Health, Office of Healthcare Assurance, State Licensing Section, June 2023.

Table 64 shows the Intermediate Care Facilities for Individuals with Intellectual Disabilities. These facilities provide a supportive and structured environment that promotes the well-being and independence of individuals with intellectual disabilities. The level of care and services provided can vary based on the specific needs of each resident. Across Hawaiʻi, there are 16 facilities with 81 beds as of June 2023.[204] This is a decrease of one facility and 5 beds despite there being a need for more beds.

[203] DBEDT, Research and Economic Analysis Division, December 2021.
[204] Source: State of Hawaiʻi, Department of Health, Office of Health Care Assurance, Medicare Facilities, June 2023.

Combining Community Care Foster Families, ARCH, Assisted Living Facilities, SNF and ICF, 14,506 beds are providing different levels of care. This is a 14% increase over 2019 (12,754), primarily due to the increase in ARCH I and ARCH II homes.

B. HOMELESSNESS IN HAWAIʻI

Homelessness in Hawaiʻi is a pressing issue, with 6,223 individuals homeless on any given night in 2023, a per capita rate of 43 per 10,000—far above the national average of 20 and rivaling California (46) and Oregon (48).[205] Geographic isolation worsens the crisis, with 63% unsheltered, akin to West Coast states. Homelessness dropped 8% from 2020–2022 due to pandemic-era aid but rose 4% in 2023 as measures ended, below the national 12% increase.[206] In 2024, homelessness rose to 6,389 people representing an increase of 2.5%. Homelessness on Oʻahu and Kauaʻi realized net increases while Maui and Hawaiʻi Counties saw net decreases from 2023[207].

In 2022, HMIS reported 8,311 households served, 88% (7,303) without permanent housing: 31% needing affordable units and 69% requiring supportive services.[208] High rents—1.5 times the national median—limited land, tourism, and import reliance create a gap, even for the 38% of employed homeless heads of households (62% without disabilities), facing $1,763 one-bedroom rents.[209] Single individuals earning $1,696 monthly afford $512, leaving a $1,251 shortfall; five-person households face a $2,927 deficit ($642 vs. $3,569).[210]

The *2023 DHHL Beneficiary Demand Survey* shows 32% of eligible in-state movers can afford down payments under $25,000 and 36% monthly costs of $1,500–$2,499.[211] Of 20,323 DHHL Applicant households, 10,558 in Honolulu County (51.9%) face $1,841 rents, exceeding their range by $342–$841.[212] Applicants note 38.1% with similar down payment limits and 39.8% affording $1,500–$2,499, with 13.7% planning to rent at $1,500–$1,999—$263–$763 below statewide averages.[213] Overcrowding (24%) and doubling-up (32%) drive a 37% Native Hawaiian share in homeless programs, with 32% of eligible households spending over 50% of income on housing.[214]

Complex needs of persons experiencing homelessness often require different solutions. Among homeless households, 90% experience concurrent challenges including 479 with mental illness,

[205] Source: Partners in Care, Point in Time Count, 2023.
[206] Source: Bridging the Gap, Point in Time Count, 2020–2023.
[207] Source: Bridging the Gap, Point in Time Count, 2024..
[208] Source: Hawaiʻi Housing Management Information System (HMIS), 2022.
[209] Source: Table 73 for $1,763 rent, HHPS 2024.
[210] Source:Table 73 for $3,569 rent, HHPS 2024.
[211] Source: "Preferences Among Eligible to Apply HH Who Will or May Move and Will Stay in State," MOV10, MOV11; *2023 DHHL Beneficiary Demand Survey.*
[212] Source: DHHL Beneficiary Data, Table 76 for $1,841 rent, "2023 Hawaiʻi Housing Market Report"
[213] Source: "Preferences Among Applicants Who Will or May Move and Will Stay in State," MOV5, MOV10, MOV11; *2023 DHHL Beneficiary Demand Survey*.
[214] Source: *Figure 32*.

768 with substance abuse, 204 with disabilities, and 2,850 with multiple conditions.[215] Beyond this, 23% harbor "hidden homeless," intensifying pressure on over 200,000 at-risk households.[216] Housing First, emergency proclamations, and village models have helped to mitigate further deepening, but much more is needed to address the complex needs of those experiencing homelessness in Hawai‘i. This study seeks to offers data-driven insights for sustainable solutions.

1. Introduction

Homelessness in Hawai‘i represents a persistent and multifaceted challenge that affects countless individuals and families struggling to secure stable housing. Despite significant investments from local, state, and federal entities into outreach, shelters, housing initiatives, and service programs, the problem persists, demanding innovative and sustainable solutions.

Central to addressing homelessness is the imperative to provide permanent housing solutions. Critically, there is simply not enough housing that is affordable for local families. This means that many families face housing insecurity, as evidenced by 27% of Hawai‘i families being less than two months of sustained loss of income from homelessness, 38% of those experiencing homelessness maintaining employment, and hundreds of individuals each month on the HMIS by-name list that are “housing ready” but not for even a room they can afford to rent. Solutions that reach beyond outreach and shelter and into creating permanent housing for those earning 30-50% AMI and below are central to addressing housing security in the long run.

For those that also have additional challenges, this aligns with the widely accepted Housing First approach, endorsed by both federal and state policies, which posits that stable housing is the foundation upon which individuals can overcome challenges and seize opportunities for improvement. The integration of permanent housing with supportive services is crucial for individuals facing compounded difficulties, such as mental illness, substance abuse, and physical or developmental disabilities. According to the Housing First model, such challenges are best confronted after housing stability is achieved.

Additionally, stakeholders and service providers regularly testify to the need for additional housing as a primary barrier in exiting shelter. The HMIS maintains a list of individuals, regularly over 500 at a given time, who have some form of income and are considered housing-ready, but their income is not sufficient to afford housing in Hawai‘i‘s market.

This section aims to encapsulate the current state of homelessness in Hawai‘i by providing a comprehensive analysis of the available data. It will estimate the demand for different types of housing units, explore the underlying causes of homelessness, and scrutinize the influence and potential of housing developments, programs, and policies on future outcomes.

[215] Source: HMIS, 2022.
[216] Source: 2023 Hawai‘i Household Survey.

By delineating the landscape of homelessness, this study endeavors to foster a deeper understanding of the issue and propel informed policy-making that can address the housing needs of the most vulnerable populations in our community.

a. Definition of Homeless Status

HUD classifies homelessness into four categories: Literally Homeless, Imminent Risk of Homelessness, Homeless Under Other Federal Statutes, and Fleeing/Attempting to Flee Domestic Violence.

Literally Homeless includes individuals or families lacking a fixed, regular, and adequate nighttime residence, meaning:

> (i) Has a primary nighttime residence that is a public or private place not meant for human habitation;
> (ii) Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government programs); or
> (iii) Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.[217]

In 2023, 6,223 individuals in Hawai‘i were experiencing sheltered or unsheltered homelessness on any given night, according to the state's point-in-time count reports. Hawai‘i has one of the highest rates of homelessness per capita in the U.S., with 430 homeless individuals per 100,000.[218]

HUD categories 2, 3, and 4 are not captured in point-in-time counts. Category 2, Imminent Risk of Homelessness, is an individual or family who will immediately lose their nighttime residence within 14 days, has not identified a subsequent residence, and lacks the resources or support needed to obtain other permanent housing. Category 3 is Homeless under other Federal statutes for example, someone who has not had a lease, ownership interest in permanent housing during the 60 days prior to the homeless assistance application is considered to be in category 3, and Category 4 is Fleeing/Attempting to Flee Domestic Violence.

b. Context, Policies, and Impact

Beginning in 2015, Governor Ige issued a series of seven proclamations to establish long-term housing, temporary shelters, and services aimed at diverting homeless individuals from frequent utilization of healthcare and criminal justice systems. The proclamations helped to develop at

[217] HUD Exchange, see: https://www.hudexchange.info/homelessness-assistance/coc-esg-virtual-binders/coc-esg-homeless-eligibility/four-categories/category-1/

[218] HUD. December 2023. The 2023 Annual Homelessness Assessment Report (AHAR) to Congress. Part 1: Point-In-Time Estimates of Homelessness.

least 13 projects and incentivized additional projects through waivers of impact fees and certain approval processes.[219] These projects helped to spur the building of thousands of units of housing supply at levels affordable for households earning 60%, 50%, and even 30% AMI.

The *Consolidated Plan* for program years 2020 to 2025 reflects the State's strategies and priorities to address housing needs, including for homeless individuals and families.[220] As in the previous *Consolidated Plan* from 2015, the highest need is for unsheltered homeless households. Transition to Permanent Housing is the fourth highest priority need, followed by Rapid Re-housing and Homelessness Prevention.

COVID-19 presented many new challenges for providers, for individuals experiencing homelessness, and for their families. New policies and funding were implemented during the pandemic to address these challenges, including an eviction moratorium statewide and the Rent Relief and Housing Assistance Program. Funded largely by the federal CARES Act, Rent Relief programs assisted over 14,000 households affected by the pandemic who may have likely otherwise become homeless through state, county, and private programs. After the eviction moratorium, Act 57, Session Laws Hawai'i 2023, offered protections for households behind on rent, ensuring tenants had opportunities for landlord-tenant mediation before eviction.

In 2022, Act 310 was passed to prohibit discrimination in rental transactions based on the source of income, including participation in Section 8 and other housing voucher programs, aiming to make Hawai'i's housing stock more accessible and assist homeless clients seeking permanent housing.

In 2023, Governor Josh Green initiated policies focusing on affordable housing to address homelessness. An emergency proclamation was issued to expedite resolutions for the homelessness crisis, including collaborating with federal and county agencies to work on homelessness solutions. Additionally, the Statewide Office on Homelessness and Housing Solutions (OHHS) prioritized the expansion of Kauhale, or villages of tiny homes with communal living spaces, to increase affordable shelter and transitional housing solutions for those experiencing homelessness in Hawai'i.

c. Methodology

HHPS utilized two primary sources for homeless data in Hawai'i: annual PIT Count and HMIS.

PIT Count is a federally mandated census count from HUD to be completed biennially by each Continuum of Care across the U.S. The PIT Count provides a snapshot of all those experiencing homelessness in our shelters, streets, beaches, cars, or other places not meant for human habitation. The PIT Count is vital for establishing federal funding from

[219] 2015-2016 Emergency Proclamation & Supplemental Proclamations, *available at*: https://homelessness.hawaii.gov/emergency-proclamations-and-supplementary-proclamations/emergency-proclamation-2015/.

[220] HHFDC. 2020 Consolidated Plan for Program Years 2020 Through 2024. https://dbedt.hawaii.gov/hhfdc/files/2020/09/FINAL_5YR-CONPLAN-AAP_20200716.pdf.

HUD, state, local, and private funding to help end homelessness. Although the PIT Count report represents a snapshot at one moment, it provides an opportunity to look at the trends and demographics of those experiencing homelessness in our community on a single night and across multiple years of PIT Counts.

HMIS is a database that maintains data on homeless persons in shelters or encountered at unsheltered locations across Hawai‘i. Homeless services agencies and providers populate the HMIS data file based on their client interactions and share case files as appropriate to support a shared network of care. The HMIS database is used daily by providers and state agencies to assist in managing and tracking persons seeking services and coordinate resources in the homeless sector.

A majority of the homeless section of the report is based on an analysis of HMIS data gathered between January 2022 and December 2022. SMS obtained a de-identified listing of all households served by Homeless Providers in Hawai‘i from January to December 2022. The overall dataset included all program types and households served regardless of housing status.

Analysis was conducted by household, rather than individual, to more accurately reflect the number of housing units needed to meet demand. Much of the analysis considered only homeless households served within outreach, emergency, and transitional shelter programs, and excluded those who had already exited to permanent housing and thus were no longer considered homeless.

2. Number of Homeless Households

Based on the PIT Count over the past three years, Hawai‘i has seen an overall increase in homelessness. This is primarily attributed to an increase in the unsheltered population on O‘ahu and Kaua‘i.

Hawai‘i’s homeless population decreased by 8% between 2020 and 2022, likely in part due to pandemic-era rental assistance and renter protection policies that mitigated entry into homelessness. Additionally, the period from 2015-2020 saw an increase in the number of permanent units that were built specifically at the 30-50% AMI level, in part using the Governor’s Proclamations. The sheltered homeless population decreased by 21% during this period, while the unsheltered population increased by 3%.

By 2023, as pandemic-era rental assistance and protections for renters dwindled and new housing unit production for 30-50% AMI households slowed, Hawai‘i’s homeless population grew again by 4% overall. The sheltered population increased by 3% between 2022 and 2023, and the unsheltered population by 4%. Although outside the study period, 2024 saw a 2.5% increase in homelessness in 2024. The sheltered population grew by 1.3% while the unsheltered population grew by 3.5% from 2023 to 2024.

TABLE 65. HOMELESS PIT COUNTS, STATE AND COUNTIES OF HAWAIʻI, 2013 - 2023

	Year											Pct Chg. 2020-2023
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Sheltered	3,745	3,813	3,777	3,613	3,420	3,055	2,810	2,808	2,489	2,224	2,316	-18%
Oʻahu	3,091	3,079	2,964	2,767	2,635	2,350	2,052	2,102	1,853	1,596	1,663	-21%
Hawaiʻi	160	211	220	271	275	200	243	276	227	283	278	1%
Maui	421	445	505	484	395	399	420	375	346	305	317	-15%
Kauaʻi	73	78	88	91	115	106	95	55	63	40	58	5%
Unsheltered	2,590	3,105	3,843	4,308	3,800	3,475	3,640	3,650	-	3,749	3,907	7%
Oʻahu	1,465	1,633	1,939	2,173	2,324	2,145	2,403	2,346	N/A	2,355	2,365	1%
Hawaiʻi	397	658	1,021	1,123	678	669	447	521	N/A	554	725	39%
Maui	455	514	632	661	501	474	442	414	N/A	436	387	-7%
Kauaʻi	273	300	251	351	297	187	348	369	N/A	404	430	17%
Total	6,335	6,918	7,620	7,921	7,220	6,530	6,450	6,458	-	5,973	6,223	-4%
Oʻahu	4,556	4,712	4,903	4,940	4,959	4,495	4,455	4,448	N/A	3,951	4,028	-9%
Hawaiʻi	557	869	1,241	1,394	953	869	690	797	N/A	837	1003	26%
Maui	876	959	1137	1145	896	873	862	789	N/A	741	704	-11%
Kauaʻi	346	378	339	442	412	293	443	424	N/A	444	488	15%

Source: Partners in Care, Point in Time Count.
Source: Bridging the Gap, Point in Time Count.

a. Causes of Homelessness

The PIT Count provides some insight regarding the primary causes of homelessness in Hawaiʻi. On Oʻahu, health-related issues (43%), financial problems (35%), and family breakups (23%) were the top causes of homelessness according to the survey of the unsheltered homeless population during the 2023 PIT Count.[221] In Hawaiʻi County, a separate PIT Count of the unsheltered homeless population had similar findings, with family/relationship conflict (19%) and inability to afford rent (16%) being the primary reasons respondents were living unsheltered.[222]

3. Unmet Demand for those in Homeless Programs

HMIS provides detailed client data that can be utilized to assess the cumulative housing needs of Hawaiʻi's homeless population over time. This database is utilized by all homeless service providers within the state to track and manage the needs and progress of all clients they serve. HMIS data can more accurately represent the overall number of households in need of housing

[221] PIT Count, Partners in Care. 2023. https://www.partnersincareoahu.org/pit.
[222] PIT Count, Bridging the Gap. 2023. https://www.btghawaii.org/reports/housing-inventory-counts-point-in-time/.

and provide additional details that impact the type of housing needed, including household size and disabling conditions.

Based on the HMIS data, 8,311 households were served in homeless programs within the state between January and December 2022 and homeless for some period of time. Of those households, 88% were not permanently housed, accounting for 7,303 households. Many of these unhoused households may have self-resolved during the year (found housing or were otherwise no longer homeless). Others may still be homeless.

These unhoused households represent an important part of the unmet demand for housing in Hawai‘i. Their numbers are not included in Census data (the basis for population counts and housing demand estimates), the annual counts of occupied housing units, or public sector residential programs (Group Quarters). Quantifying the unmet housing demand among Hawai‘i’s homeless households is an important consideration as we develop housing solutions for the state.

Based on household size, the largest demand for housing among the homeless population is for individuals. Ninety percent (90%) of homeless households served and not housed in the state were individuals. The second largest demand group is for couples or families of two, accounting for 4% of the unhoused group, followed by households of five or more (2%), households of three (2%), and households of four (2%). This reflects, at least in part, how affordability of housing is a greater barrier for single and smaller households with less income to pay high rents.

TABLE 66. HOUSEHOLD SIZE AMONG THE HOMELESS, STATE AND COUNTIES OF HAWAI‘I, 2023

Unhoused Households					
Household Size	**O‘ahu**	**Hawai‘i**	**Maui**	**Kaua‘i**	**State**
Individual	5149	514	670	242	6575
Couple or Family of 2	308	0	0	0	308
Household of 3	146	0	0	0	146
Household of 4	122	0	0	0	122
Household of 5+	152	0	0	0	152
Total	**5877**	**514**	**670**	**242**	**7303**

2022 Homeless Management Information System. https://www.partnersincareoahu.org/hmis

Among the homeless population, various support services are needed before and/or after placement. Some only require affordable housing within their budget and have no additional service needs. Some require support for a single special need condition within their household, while others require an array of supports or specific types of modified housing to meet their needs. The tables below illustrate the distribution of these needs by county and household size of those who did not exit to permanent housing.

a. Households with No Special Needs

Table 67 shows the number of unhoused households requiring affordable housing. Among these households, individuals are the group with the greatest demand, with Oʻahu and Maui showing higher demand in this household category compared to other counties.

TABLE 67. AFFORDABLE HOUSING NEEDED FOR UNHOUSED HOUSEHOLDS WITH NO CONDITIONS, STATE AND COUNTIES OF HAWAIʻI, 2023

Affordable Housing Needed by Unhoused Households with No Conditions					
Household Size	**Oʻahu**	**Hawaiʻi**	**Maui**	**Kauaʻi**	**State**
Individual	1448	98	249	91	1886
Couple or Family of 2	107	0	0	0	107
Household of 3+	298	0	0	0	298
Total	**1853**	**98**	**249**	**91**	**2291**

2022 Homeless Management Information System. https://www.partnersincareoahu.org/hmis

b. Households with a Single Special Need

Many individuals and families need additional services or support to sustainably maintain housing. **Table 68** below shows the breakdown of supportive housing and service needs statewide for unhoused households who have declared a single condition. In terms of statewide service needs for unhoused households with a single condition, the largest group consists of 479 households dealing with mental illness. The second-largest group is substance abuse, representing 768 households, followed by physical disabilities, with 204 households.

Serving clients with mental illness requires a combination of short-term treatment facilities and longer-term supportive housing services, depending on the nature and severity of the condition. Substance abuse cases require an adequate supply of residential detoxification and treatment facilities, after which permanent housing units will be required. People experiencing physical disabilities often find themselves spending a significant portion of their time within the confines of their homes. Accessibility is important for these households to ensure that essential amenities and services are within easy reach. Proximity to pharmacies, healthcare facilities, and other vital services near their residences becomes a lifeline for individuals with physical disabilities.

TABLE 68: SUPPORTIVE HOUSING NEEDS: SINGLE CONDITIONS, STATE AND COUNTIES OF HAWAIʻI, 2023

Unhoused Households with Single Conditions					
Mental Illness					
Household Size	**Oʻahu**	**Hawaiʻi**	**Maui**	**Kauaʻi**	**State**
Individual	322	41	51	14	428
Couple or Family of 2	27	0	0	0	27
Household of 3+	24	0	0	0	24
Total	**373**	**41**	**51**	**14**	**479**
Substance Abuse					
Household Size	**Oʻahu**	**Hawaiʻi**	**Maui**	**Kauaʻi**	**State**
Individual	365	21	30	13	429
Couple or Family of 2	327	0	0	0	327
Household of 3+	12	0	0	0	12
Total	**704**	**21**	**30**	**13**	**768**
Physical Disability					
Household Size	**Oʻahu**	**Hawaiʻi**	**Maui**	**Kauaʻi**	**State**
Individual	117	21	30	13	181
Couple or Family of 2	15	0	0	0	15
Household of 3+	8	0	0	0	8
Total	**140**	**21**	**30**	**13**	**204**
Developmental Disability					
Household Size	**Oʻahu**	**Hawaiʻi**	**Maui**	**Kauaʻi**	**State**
Individual	25	2	3	0	30
Couple or Family of 2	14	0	0	0	14
Household of 3+	3	0	0	0	3
Total	**42**	**2**	**3**	**0**	**47**
HIV/AIDS					
Household Size	**Oʻahu**	**Hawaiʻi**	**Maui**	**Kauaʻi**	**State**
Individual	10	0	1	0	11
Couple or Family of 2	0	0	0	0	0
Household of 3+	1	0	0	0	1
Total	**11**	**0**	**1**	**0**	**12**

Source: 2022 HMIS.

c. Households with Multiple Conditions

Many unhoused households reported more than one disabling condition. There were 2,850 unhoused households with more than one condition (see **Table 69**). The significant number of individuals with multiple conditions highlights the need for intensive care facilities equipped with the supportive services necessary to treat varying needs.

TABLE 69: SUPPORTIVE HOUSING NEEDS: MULTIPLE CONDITIONS, STATE AND COUNTIES OF HAWAIʻI, 2023

Unhoused Households with Multiple Conditions					
Multiple Conditions	**Oʻahu**	**Hawaiʻi**	**Maui**	**Kauaʻi**	**State**
Individual	2142	261	232	70	2705
Couple or Family of 2	92	0	0	0	92
Household of 3+	53	0	0	0	53
Total	**2287**	**261**	**232**	**70**	**2850**

2022 Homeless Management Information System. https://www.partnersincareoahu.org/hmis

Table 70 shows the top five combinations of disabling conditions among unhoused households. The most common combination was substance abuse with mental illness, accounting for 11% of all unhoused households in the state. The second most common combination was mental illness with chronic illness (3% of unhoused households statewide), followed by substance abuse with chronic illness (2% of unhoused households statewide). By identifying the common condition combinations, appropriate supportive housing can be developed to support the complex housing needs of these individuals and families.

TABLE 70: SUPPORTIVE HOUSING NEEDS: HOUSEHOLDS WITH TWO CONDITIONS, STATE AND COUNTIES OF HAWAIʻI, 2023

Unhoused Households with Two Conditions					
	Oʻahu	**Hawaiʻi**	**Maui**	**Kauaʻi**	**State**
Substance Abuse & Mental Illness	682	59	50	5	796
Mental Illness & Chronic Illness	180	12	19	3	214
Substance Abuse & Chronic Illness	98	9	12	3	122
Physical Disability & Mental Illness	77	18	5	4	104
Substance Abuse & Physical Disability	31	6	4	3	44

2022 Homeless Management Information System. https://www.partnersincareoahu.org/hmis

d. Equity of Placements

The likelihood of a homeless household finding housing is significantly affected by any disabling conditions reported by the household. Statewide, 19% of homeless households with a single disabling condition exited to permanent housing, compared with 34% of households with no disabling conditions.

TABLE 71: HOUSING SUCCESS BY CONDITIONS, STATE, AND COUNTIES OF HAWAIʻI, 2023

Conditions	**Oʻahu**	**Hawaiʻi**	**Maui**	**Kauaʻi**	**State**
No Conditions	23%	4%	6%	1%	34%
One Condition	13%	2%	3%	1%	19%
Multiple Conditions	33%	8%	5%	2%	47%

2022 Homeless Management Information System. https://www.partnersincareoahu.org/hmis

Statewide, unhoused households with HIV/AIDS are the least likely special needs population to successfully exit to permanent housing.

TABLE 72: PERCENTAGE OF HOUSEHOLDS HOUSED BY CONDITION, STATE AND COUNTIES OF HAWAIʻI, 2023

Conditions	Oʻahu	Hawaiʻi	Maui	Kauaʻi	State
Substance Abuse	9%	4%	2%	0%	29%
Mental Illness	12%	8%	5%	2%	47%
Developmental Disability	12%	2%	1%	1%	10%
Chronic Illness	15%	4%	4%	1%	28%
HIV/AIDS	13%	0%	0%	0%	2%
Physical Disability	16%	5%	4%	1%	30%

2022 Homeless Management Information System. https://www.partnersincareoahu.org/hmis

4. Affordability of Housing for Homeless Households

One of the greatest challenges in housing individuals and families experiencing homelessness is income limitations. A common misconception regarding homeless persons is that they are not working. Unemployment may be more common for some members of the homeless population, particularly the more visible unsheltered homeless and those with mental health and other disabling conditions. However, among those persons served by providers in the State of Hawaiʻi during 2022, 38% of heads of households were employed. Among those without any disabling conditions, the rate of employment for heads of households is even higher at 62%.

While many of our homeless households are working, they are not making enough to afford housing in the state. A person working full-time at the current minimum wage in Hawaiʻi ($12 an hour, before the more recent increase in minimum wage) would be making around $24,000 annually or $1,920 a month. This would allow only $576 for housing each month per working individual if the individual were contributing a max of 30% of their income to housing. **Table 73** below shows the average income for homeless households served that are employed by county and household size, illustrating a significant gap between what these households can afford (based on 30% of their monthly income) and the average rental costs in each county.

Homeless households with earned income are far more likely to be housed. Nearly half (46%) of those with earned income were eventually housed, compared to 32% of those without. As demonstrated by the gap between earned income and average rental costs, in addition to more housing units available at rents affordable to those earning 30-50% AMI, more public housing as well as more substantial and sustainable subsidies are needed to house our homeless households.

TABLE 73: INCOME VERSUS HOUSING COST BY HOUSEHOLD SIZE, STATE AND COUNTIES OF HAWAIʻI, 2023

HH Size		Oʻahu	Hawaiʻi	Maui	Kauaʻi	State
1	Avg Income	$1,669	$1,518	$1,831	$1,725	$1,696
	Secure Housing Allotment	$569	$364	$467	$428	$512
	Avg rent for 1 bd	$1,841	$1,478	$1,848	$1,883	$1,763
2	Avg Income	$1,774	N/A	N/A	N/A	$1,774
	Secure Housing Allotment	$429	$510	$679	$638	$480
	Avg rent for 1 bd	$1,841	$1,478	$1,848	$1,883	$1,763
3	Avg Income	$2,138	N/A	N/A	N/A	$2,138
	Secure Housing Allotment	$531	$363	$296	$411	$521
	Avg rent for 2 bd	$2,377	$1,931	$2,328	$2,378	$2,254
4	Avg Income	$1,964	N/A	N/A	N/A	$1,964
	Secure Housing Allotment	$512	N/A	N/A	N/A	$512
	Avg rent for 3 bd	$3,289	$2,418	$3,148	$3,259	$3,029
5+	Avg Income	$2,146	N/A	N/A	N/A	$2,146
	Secure Housing Allotment	$673	$410	$631	$497	$642
	Avg rent for 4bd	$4,236	$2,596	$3,440	$4,002	$3,569

2022 Homeless Management Information System. https://www.partnersincareoahu.org/hmis

5. *Stakeholder and Community Insights on Housing for Homeless and Special Needs Households*

SMS conducted 12 one-on-one interviews to gain insight from those in the community working with homeless clients and in affordable housing development. SMS interviewed seven homeless service providers and five affordable housing developers or advocates representing diverse entities throughout the state.

a. Barriers to Housing Placement

Homeless service providers were asked to describe common barriers clients face in accessing shelter and/or housing, the types of housing and supportive services that are most in demand, and successful strategies being used to improve outcomes.

Lack of Affordable Housing Stock. All providers reported that locating affordable housing for their clients in a timely manner, particularly in the client's preferred region, is challenging due to the lack of inventory.

Insufficient Client Finances for Market Rate Rentals. Clients are often unable to afford market rental prices even if they have stable employment; they may fall short of the 30% rent-to-income threshold, have poor credit history, and/or lack funds for a deposit. Some clients are earning too much to qualify for a federal housing voucher (i.e., Section 8), but not enough to afford market rental prices.

Limited Housing Options for Special Needs Clients. Affordable housing options are even further limited for formerly incarcerated clients, as well as clients with mental health and/or substance abuse conditions, who require supportive services. Providers throughout the state reported a notable increase in clients with mental health and/or substance abuse conditions since 2019.

Demand for Services Exceeds Provider Capacity. Providers' capacity to serve clients is limited by funding, staffing, and facilities/units. Public contracts for services often do not cover the full cost of care needed, requiring providers to find private funds to supplement these core services. Staff recruitment and retention is a challenge given the cost of living in the state and existing contracts not always fully covering staff needs for quality care. Providers noted a lack of mental health, home health, and social services workers, especially on the neighboring islands. Emergency shelters are commonly at full capacity and are unable to immediately admit clients.

b. Types of Housing and Services Needed

Extremely Low-Income Affordable Housing. Providers said there is generally a lack of affordable housing in the state for extremely low-income populations, including those earning 30% AMI and below. At times new housing developments, while creating more inventory overall, in the process demolish units renting at the 30-50% AMI, further constraining unit availability for these populations.

Housing and Services for Foster Youth. For foster youth who are aging out of the system, there is a need for more group homes and foster homes, as well as transitional services to prevent them from becoming homeless. Increasing the availability, length of time, and qualifications for FUP vouchers may also assist with this need.

Affordable Studio Units. More affordable studio units are needed for low-income youth, singles, and couples. These might also include SRO options that provide permanent habitable private living and bathroom units with shared communal spaces.

Affordable Housing Allowing Pets. Providers said that affordable housing options for clients with pets are limited, which can prevent them from being housed in a timely manner. For many without families or community engagement, pets are a particularly important part of their support system.

Permanent Supportive Housing. In terms of populations with special needs, there is a high demand for permanent supportive housing for clients with mental health, substance abuse, developmental disabilities, or multiple conditions.

Assisted Living for Seniors. Providers have seen an increase in seniors seeking affordable housing who require assisted living accommodations. Further evidence of this is that 21.3% of the 65+ population in Hawai‘i are still employed and 34.3% live alone.[223] Those aged 65+ in Hawai‘i also have the highest housing consumption among any other age groups.[224]

Wraparound Services. Wraparound support services are critical to helping clients sustain permanent housing. Key needs include healthcare, employment assistance, legal services, family reunification, and transitional services for formerly incarcerated individuals. To access services, many clients require childcare and transportation assistance.

Shelter for Homeless Youth. Overnight shelters are only available for youth that are either in Child Welfare Service care or over the age of 16. It is estimated that as many as 500 unaccompanied minors are unsheltered on a given night, leaving them vulnerable to being trafficked. This is an epidemic that especially impacts LGBTQIA+ youth, who get kicked out of their homes, many winding up trafficked in Waikīkī.[225] Policy and resource changes to support appropriate youth shelters or emancipation rights are important to explore with appropriate key stakeholders.

c. Strategies for Improved Outcomes

Building Relationships with Landlords. Many providers are cultivating relationships with local landlords and property managers to expand their clients' housing options. Some providers even commit to compensating for any property damages caused by their clients, reducing the perceived risk for the landlord or property manager.

Employing Housing Locators. Some providers said that employing housing specialists with real estate expertise who can focus on locating affordable units for clients has improved the efficiency of housing placements.

Building Client Finances. Many providers are prioritizing helping clients improve their credit and finances to qualify for market rental units.

Master Leasing. Several providers are utilizing the master leasing model[226], whereby a provider is a master lessee of a property and sublets units to individual clients. Because the master lessee assumes responsibility for any damages to the units, the property owner is shielded from risk. This model allows providers to increase their housing stock without waiting for new builds.

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[223] U.S. Census, American Community Survey 5-year estimates, 2023

[224] DBEDT, Aging and Hawai‘i's Generational Economy, 2024. https://files.hawaii.gov/dbedt/economic/reports/Hawaii_Generational_Economy_Dec2024.pdf

[225] Hawai‘i Interagency Council on Homelessness, Conference minutes. https://homelessness.hawaii.gov/wp-content/uploads/2019/03/HICH-Minutes-06.18.18-APPROVED.pdf and Hawai‘i News Now, Federal report: Hawaii has nation's highest rates of chronic homelessness, youth without shelter. https://www.hawaiinewsnow.com/2023/12/16/fed-report-shows-hawaii-has-highest-rates-chronic-homelessness-youth-without-shelter/

[226] https://files.hudexchange.info/resources/documents/COVID-19-Homeless-System-Response-Project-Funding-and-Structure-Brief-Master-Leasing.pdf.

Acquiring New Properties. Many providers are pursuing funding opportunities to purchase their own properties for client shelter and/or housing.[227]

d. Barriers to Affordable Housing Development

Affordable housing developers and advocates were asked to identify barriers to expanding affordable housing.

Limited Funding Sources. Affordable housing developers' capacity is often limited by funding availability. They said that construction costs have increased in recent years, and they are facing increased competition for funding with offshore developers and those building higher up in the market (180%+ AMI) with greater budgets for supplies, labor, and other inputs.

Permitting Delays. Some developers reported that delays and redundancies in the state's permitting process can impede development.

Community Opposition. New affordable developments often face community opposition, sometimes referred to as "NIMBY-ism," from the phrase "Not in My Backyard." Developers have worked through community opposition by maintaining open communication and building relationships with neighborhood boards.

C. IMMINENT RISK OF HOMELESSNESS

The goal of this section is to analyze the data gathered from the 2024 HHPS to determine the extent of imminent homelessness risk by county and to understand the demographic characteristics of this group. This information will enable housing professionals to tailor resources and assistance to effectively prevent this specific demographic from experiencing homelessness.

Imminent Risk of Homelessness is defined as:[228]

- An individual or Family who will imminently lose (within 14 days) their primary nighttime residence provided that no subsequent residence has been identified and the individual or Family lacks the resources or support networks needed to obtain other permanent housing.
- "Family" means:

[227] Example: CCH utilized CDBG allocation through the CARES Act to support the acquisition of special needs housing for non-profit operators: www.honolulu.gov/rep/site/dcs/Public_Notice_25th_Year_AAP_CDBG-CV_reprogramming_Dec_22_FINAL.pdf

[228] HUD, Category 2: Imminent Risk of Homelessness. *Available at:* https://www.hudexchange.info/homelessness-assistance/coc-esg-virtual-binders/coc-esg-homeless-eligibility/four-categories/category-2/

- Two or more persons who live or intend to live together as a unit, one of whom is a minor, under 18 years of age, related by blood, marriage, or operation of law, including foster children and hanai children; or
- A person who is pregnant or in the process of securing legal custody of a minor child or children.

1. Population Breakdown

Two measures are used to identify households likely to become homeless: At-Risk-Households and Hidden Homeless. In the *2022-2023 Housing Demand Survey,* respondents were asked how long they could stay in their current residence if they were to lose their primary source of household income. 27% of Hawai'i households, accounting for 127,223 households, reported that they would be forced out of their homes after two months or less of sustained income loss. Compared with 2019, the percentage of Hawai'i households at-risk of homelessness increased by 2% from 25% to 27%.

The other indicator of potential homelessness examines households that have doubled up, also known as "hidden homeless". According to the U.S. Census, doubled-up households are defined as those that include at least one additional adult. 23% of Hawai'i households said someone living in their house would like to move out but does not have the resources to buy or rent their place. This finding was consistent with the 23% of households that included hidden homeless in HHPS 2019.

TABLE 74: AT-RISK AND HIDDEN HOMELESS, STATE AND COUNTIES OF HAWAI'I, 2023

		At-Risk Homelessness		Hidden Homelessness	
		Not At-Risk Households	**At-Risk Households**	**Not Hidden Homeless Households**	**Hidden Homeless Households**
County	**Honolulu**	65.50%	69.60%	66.60%	70.90%
	Hawai'i	16%	15.00%	16.50%	11.50%
	Maui	13.40%	11.00%	12.10%	12.85
	Kaua'i	5.20%	4.50%	4.80%	4.80%
State		247,142	208,282	368,416	87,009

Source: 2024 HHPS.

Respondents were asked where they would go if forced to vacate their current address. The responses were fairly consistent across the counties and for the state as a whole. Statewide, roughly three in ten households would move in with friends or family (29%). Except for CCH, the second most common response across the state was that they would relocate to the U.S. Continent (15%). CCH households were more likely to report that they would simply look for a new place to live (15%).

The third most frequently cited response among all Hawai‘i residents to being evicted from their current place of residence was to look for a new place to live (15%). There was some variance among the counties with regard to the third most common response. Respondents from Maui and Hawai‘i counties indicated that they were unsure what they would do (15% and 12% respectively). Moving to the U.S. Continent was the third most frequently cited response among CCH residents (15%).

2. Characteristics

The demographic profile of those households at risk for homelessness revealed that the majority of individuals tend to fall within the age range of 30 to 49 (45%). Additionally, they were almost evenly divided between married households (36%) and single-person households (33%). At-risk households predominantly identify as White/Caucasian (55%), and their household income was generally on the lower side, typically less than $15,000 (15%). Close to one-third of these households have a college degree (29%) or have some college education (25%). Furthermore, almost half of these individuals at risk were born and raised in Hawai‘i (41%).

3. Housing Status

An in-depth analysis of at-risk individuals' current housing situations was conducted, including factors such as rental costs, the type of residence they occupy, and whether they benefit from any form of rental assistance.

The data shows that the majority of respondents at risk for homelessness are currently renting their housing unit (67%), and close to half of at-risk households reside in a single-family unit (48%). At-risk households pay a median monthly rent of $1,957, significantly higher than their income can support. Considering that a significant portion of the respondents earn less than $15,000 annually, many of these individuals are severely rent-burdened.

Close to half of these at-risk households (45%) did not receive any type of rental housing assistance. A minority (10%) benefit from Section 8 assistance, and only 3.4% of them live in public housing.

An article in Civil Beat highlights the challenges tenants face in qualifying for these rental assistance programs.[229] Most approved were from households making 30% AMI, less than $38,000 a year for a household of four people. However, based on the 2024 HHPS data, most at imminent risk of homelessness would fall within the income range of $60,000 to $75,000 for a household of four (13%), who is generally 40-60% AMI. This group may face substantial barriers in qualifying for rental assistance programs. In addition to the lengthy wait times and complex application processes, many in this group may be disqualified at the initial income eligibility stage.

[229] Getting Rental And Utility Relief On Oahu Can Be Harder Than It Seems, Civil Beat. July 20, 2021. https://www.civilbeat.org/2021/07/getting-rental-and-utility-relief-on-oahu-can-be-harder-than-it-seems.

4. Employment Status

Interestingly, in seven out of ten at-risk households, the head of the household is employed (69%). Three-quarters of those who are employed work full-time, while 21% work part-time.

Approximately 40% of those who were not employed were retired. Homemakers and those who were unable to work due to a disability each accounted for 15% of the non-working respondents. Only 18% reported being unemployed and actively looking for a job.

D. STRATEGY AND PLANNING IMPLICATIONS

Below are key takeaways and recommendations based on synthesizing the data analysis and stakeholder input in the homeless sector. These recommendations are intended to address both the immediate and underlying issues related to homelessness.

1. *Prioritize Deeply Affordable Housing Development.* This could involve incentivizing developers to create housing that is affordable for Hawai'i's lowest-income individuals and families, such as through tax credits, zoning changes, and/or subsidies.

2. *Modernize and Expand Affordable Housing through Innovative Models.* Investments in public housing availability and access can help to address the greatest areas of need for households earning 30-80% AMI or below. Beyond traditional public housing expansion, strategies such as Rental Assistance Demonstration (RAD) conversions, could allow for the modernization of existing public housing through private partnerships (e.g., 347 units at KPT completed in 2021). As an example, Ka Lei Momi is an example aiming to redevelop state-owned properties into 10,000 new, sustainable affordable housing units. Project-based vouchers have also been utilized in other jurisdictions to support the long-term affordability in specific units managed by private landlords. These approaches could have the potential to mitigate historical maintenance issues and provide better living conditions for residents while maintaining affordability.[230]

3. *Ensure Affordable Housing Stays Affordable.* Public and non-profit sectors should be encouraged to take a more significant role in owning and managing affordable housing to ensure that these homes remain affordable and well-maintained in the long term. This may mean greater requirements at the initial production phase as well as requirement during re-development to maintain unit affordability even when increasing density.

4. *Develop Supportive Housing for Highest Need Conditions.* Housing and in-patient residential programs should be developed that not only provide shelter but also offer services tailored to residents with specific conditions, such as:

[230] Hawaii Public Housing Authority, "Project Portfolio," https://hpha.hawaii.gov/project-portfolio; Office of the Governor's Housing Team, "Affordable Housing Pipeline," https://hale.hawaii.gov/hawaii-housing-pipeline/; U.S. Department of Housing and Urban Development, "Rental Assistance Demonstration," https://www.hudexchange.info/programs/rad/

a. Mental Health: On-site counseling, psychiatric services, and community support. This may mean the development of voluntary, long-term mental health facilities.
b. Substance Abuse: Recovery programs, relapse prevention, and support groups.
c. Physical Disabilities: Accessible housing features, on-site physical therapy, and support for daily activities.

5. *Equity-sharing models could address the affordability gap for employed homeless households and enhance permanent housing solutions. The 2022-2023 Housing Demand Survey* shows 20.3% of respondents would buy a townhouse or condo with a 65-year lease and shared equity[231], rising to 23.9% with a 99-year lease among O‘ahu, Kaua‘i, and Hawai‘i movers.[232] For single-family options, 44.5% would consider a 99-year lease with limited equity², offering a scalable model for homeless families seeking stability. Pairing these options with subsidies could close the $1,250 monthly shortfall for single individuals, aligning with the Housing First approach by reducing upfront costs and ensuring long-term affordability. Policymakers should explore integrating equity-sharing into public housing expansions, targeting the 62% of homeless households needing deeply affordable units.

6. *Enhance Data Tracking of Affordable and Supportive Housing Stock.* The systems that monitor the availability and condition of affordable and supportive housing units need to be improved. This data can help policymakers understand the landscape of housing needs and track the progress of housing initiatives.

7. *Evaluate the Potential to Convert Current VRUs to Residential Housing Stock*. With 35,884 housing units in Hawai‘i classified as seasonal units, reclaiming some units to create additional housing stock for residents has significant potential. Similarly, if some of the 15,636 housing units classified as Vacant - Other could be repurposed into the residential housing market, whether through taxation policy, development requirements, or limitations on use - it could create a notable increase in the supply of residential housing and mitigate continued increase in property valuation that negatively impacts both renters and buyers. This would include exploration of potential economic considerations as described earlier in this report.

8. *Increase Funding for Prevention and the Root Causes of Homelessness.* This involves identifying and targeting the primary factors that lead to homelessness. This could mean funding mental health services, addiction treatment, domestic violence support, and job training programs. It also includes advocating for systemic changes that address inequality, lack of affordable housing, and inadequate social safety nets.

[231] Source: *2022-2023 Housing Demand Survey*. QLEA7: "Would you buy a townhouse or condo with a 65-year lease and shared equity?"
[232] Source: *2022-2023 Housing Demand Survey*. QLEA8: "Would you buy a single-family home with a 99-year lease and limited equity defined in the lease?”

9. *Increase Rent Subsidies Paired with Workforce Development Efforts.* The data analysis and stakeholder feedback illustrate that simply providing housing subsidies does not address the full picture. Subsidies should be paired with employment training programs, educational opportunities, and job placement services to help individuals gain the skills and opportunities to achieve financial independence and sustain permanent housing.

Key Insights: Housing Need of Government Program Clients

- **Significant Housing Need for Special Needs Populations:** Over 12,400 individuals with special needs in Hawai‘i require housing assistance, including elderly needing accessibility modifications, persons with severe mental illness requiring comprehensive supportive services, and youth exiting foster care; an estimated 9,452 care home beds will be needed by 2030, a 4,712-bed increase from 2021.
- **Persistent Homelessness Gaps:** In 2022, 7,303 homeless households remained unhoused despite service engagement, with 90% being individuals; 69% require supportive services due to complex needs like mental illness (479 households), substance abuse (768), and multiple conditions (2,850).
- **Geographic Disparities in Services:** Neighbor islands face limited facility options, often requiring relocation to O‘ahu for specialized care; Kaua‘i lacks in-patient Special Treatment Facilities, and only 16 domestic violence shelters exist statewide despite rising demand.
- **Current Supply Gaps:** Statewide, 569 special needs units and 7,987 elderly units exist, but demand far exceeds supply, particularly for supportive housing.
- **Projected Needs:** By 2030, an estimated 17,598 care home beds will be needed for seniors (up 4,300 from current levels), plus 50+ domestic violence units and 15 additional transitional housing units per year for foster youth and parolees.
- **Economic Challenges:** Despite 38% of homeless heads of households being employed (62% without disabilities), a $1,251 monthly shortfall exists for single individuals ($512 affordable vs. $1,763 average one-bedroom rent); five-person households face a $2,927 deficit ($642 vs. $3,569), with low employment rates and income gaps hindering access for special needs and homeless populations.
- **At-Risk and Hidden Homelessness:** 27% of Hawai‘i households (127,223) are at risk of homelessness, unable to sustain housing beyond two months without income; 23% (87,009) are "hidden homeless," doubling up due to lack of resources.
- **Promising Strategies:** Housing First, rent subsidies, master leasing, and landlord partnerships show success in connecting vulnerable groups to stable housing.